

**The Building of a Service Brand:
The Case of Fusen Noble House, China**

LIU Yi

Thesis submitted as partial requirement for the conferral of

Doctor of Management

Supervisor:

Professor Virgínia Trigo, Associate Professor, ISCTE-IUL, Departamento de Recursos
Humanos e Comportamento Organizacional

Co-supervisor:

Professor LI Shiming, Full Professor, University of Electronic Science and Technology of
China, School of Management and Economics

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Abstract

Service brand has become a key factor for Chinese home furnishing malls to enhance competitiveness under the commercial tenant system. However how to build a service brand is still a much discussed question and the literature is scant on research specifically addressing the brand building process in the particular case of home furnishing malls. Taking the case of Fusen Noble House in Chengdu, China as a case study, the aim of this research is to explore empirically the building process of a service brand in a special case of a Chinese home furnishing mall. Based on the literature review, the research starts by designing a theoretical framework of service brand building and then uses personal interviews and questionnaires for data collection. Data is coded and analysed and a new model redesigned. Findings show that the most important driving forces in the brand building process of the company studied are senior managers, customer information and competitors, with senior managers being the most important. In what concerns the guarantee or support mechanisms of service brand building, results also show that they mainly include corporate strategy and organizational culture. The key is for corporate strategy and organizational culture to match the service brand, while the role of incentive mechanisms is less significant. The case also revealed the existence of a clear process of service brand building following certain developmental steps. Although the process tends to be highly informal, it still followed the basic order of service brand auditing, service brand identification, service brand positioning and service brand implementation, with an emphasis on external marketing. The thesis concludes with a discussion on the managerial and research implications.

Key words: home furnishing mall; service brand; brand building process; case study; China

JEL Classification: Marketing M31; Advertising M37

Resumo

O conceito de marca aplicado à indústria de serviços é um fator chave na competitividade e diferenciação dos centros comerciais especializados no setor da construção e decoração de interiores na China. Qual a melhor forma de construir uma marca no caso da indústria de serviços continua a ser uma questão muito debatida e a literatura existente é ainda escassa sobre este assunto, em especial no caso específico deste tipo de centros comerciais em larga escala. Utilizando o método do estudo de caso, esta tese selecionou a empresa Fusen Noble House em Chengdu, China, com o objetivo de entender, de uma forma empírica, qual o processo de construção da marca neste caso específico e quais as forças motoras dessa construção. Com base na revisão da literatura, a investigação começou por conceber um modelo teórico de desenvolvimento de marca procurando em seguida recolher dados que permitissem validar esse modelo. Os dados foram recolhidos através de entrevistas pessoais e de questionários tendo-se chegado a um novo modelo concetual que reflete a situação da empresa estudada. Em resumo, os principais resultados revelam que os gestores de topo, a informação dos clientes e dos concorrentes constituem as principais forças motoras do processo de construção da marca na empresa estudada sendo a gestão de topo o fator mais importante. No que respeita aos mecanismos de apoio e garantia, os principais elementos, de acordo com os resultados, são a estratégia e a cultura da organização. O essencial é que a marca corresponda à cultura e à estratégia da organização tendo-se concluído que mecanismos de incentivos assumem um papel menos importante. Este estudo de caso revelou também a existência clara na empresa de um processo na construção da marca obedecendo a determinadas etapas de desenvolvimento. Embora o processo tenda a ser bastante informal verificou-se que ele seguiu a ordem geralmente atribuída à construção de uma marca de serviços, nomeadamente, auditoria, identificação, posicionamento e implementação da marca, com ênfase especial no marketing externo. A tese conclui com uma discussão sobre as implicações dos resultados para a gestão e para a investigação.

Palavras-chave: centros comerciais de construção e decoração; marca na indústria de serviços; processo de construção de marca; estudo de caso; China

Classificação JEL: Marketing M31; Advertising M37

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My days in DBA are approaching to the end. This DBA project is jointly held by University of Electronical Science and Technology of China (UESTC) and Lisbon University Institute (ISCTE). Now, we are going to leave the campus of UESTC, and throw ourselves to the broader world, fight and lead a splendid life and career; however, I feel that far more knowledge is still to be learnt. Now this thesis is winding up. Starting from studying in DBA to the finish of this work, enthusiastic help from my teachers, classmates and friends has accompanied me all the way. Here, please accept my sincere thanks.

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Chapter 1: Introduction

1.1 Background

With the rapid development of economic globalization and integration of world economy, service economy in China is gaining unprecedented expansion. As an important part of modern service industry of China, home furnishing malls have been developed to the phase of home furnishing mall of commercial tenant type with fierce competition. This kind of malls mainly engages in building materials and furniture, and it represents a traditional type of operation in the building materials in China. As a service company, a home furnishing mall of commercial tenant type is responsible for developing and establishing the building materials market, as well as for the daily operation management of the mall. Within the marketplace, shops are set to attract external commercial tenants. Since the service brand management of a home furnishing mall is different from regular brand management of enterprises, the former should be planned and implemented in the light of the development characteristics of the industry. At present, the service brand management of home furnishing malls of commercial tenant type in China generally lacks systematic planning, and existing implementations are short of efficient methods. As a result, the produced brand effect is limited. Therefore, it has become a hot topic theoretically and practically how to enhance the competitive edge of home furnishing malls of commercial tenant type through building service brand.

1.1.1 The Coming of Service Economy Era

Home furnishing malls of commercial tenant type belong to the category of service industry, and represent an important part of the service economy of China. Worldwide, the service industry has accounted for over 58% of world GDP, bringing the world to the times of service economy (Shen et al., 2006). In 1956, the number of people engaging in service industry exceeded the number of blue collars for the first time thus marking the coming of the service economy in the United States (US). In 2006, the number of people engaged in the service industry has taken 82.1% of the total working population and almost all of the absolute increments of job quantity

are from the service industry (Tien and Berg, 2007). Seeing from the number of employees, the US, no is longer a pure industrialized country, and has indeed stepped into the so-called post-industrial society or service society. Since the reform and opening up, service industry in China has been developed in leaps and bounds (Table 1-1).

Table 1-1 China's GDP (1985-2009) (unit: 100 million)

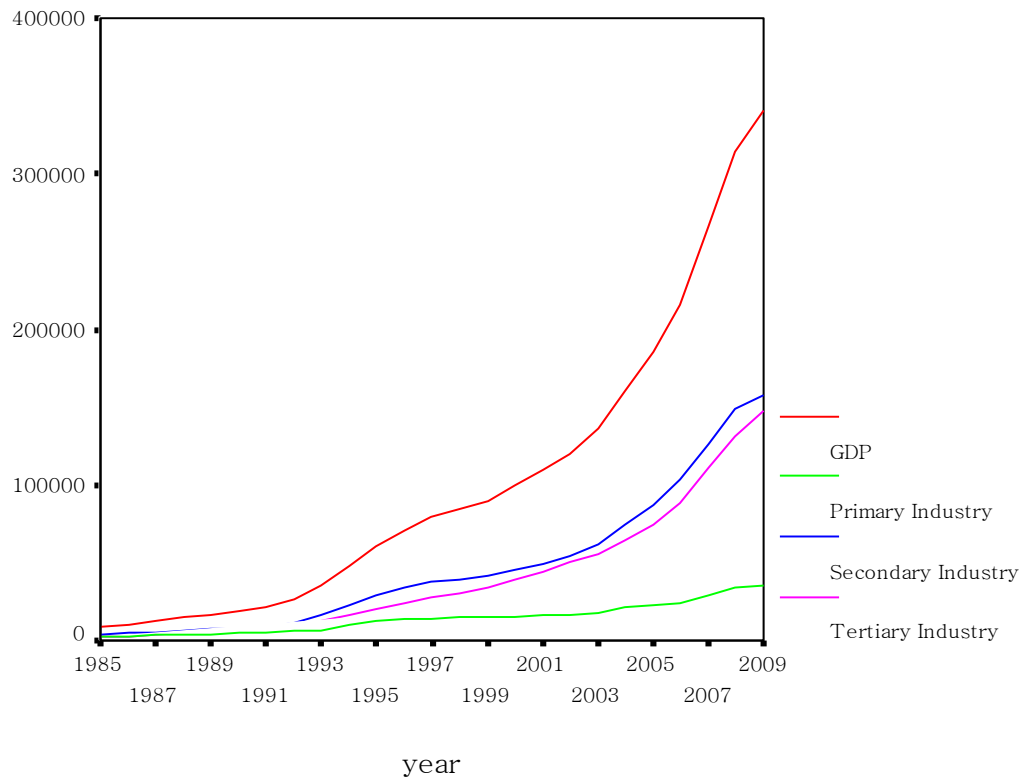
Year	Gross Domestic Product	Primary Industry	Secondary Industry	Tertiary Industry
1985	9016.0	2541.6	3866.6	2607.8
1986	10275.2	2763.9	4492.7	3018.6
1987	12058.6	3204.3	5251.6	3602.7
1988	15042.8	3831.0	6587.2	4624.6
1989	16992.3	4228.0	7278.0	5486.3
1990	18667.8	5017.0	7717.4	5933.4
1991	21781.5	5288.6	9102.2	7390.7
1992	26923.5	5800.0	11699.5	9424.0
1993	35333.9	6887.3	16454.4	11992.2
1994	48197.9	9471.4	22445.4	16281.1
1995	60793.7	12020.0	28679.5	20094.3
1996	71176.6	13885.8	33835.0	23455.8
1997	78973.0	14264.6	37543.0	27165.4
1998	84402.3	14618.0	39004.2	30780.1
1999	89677.1	14548.1	41033.6	34095.3
2000	99214.6	14716.2	45555.9	38942.5
2001	109655.2	15781.3	49512.3	44361.6
2002	120332.7	16537.0	53896.8	49898.9
2003	135822.8	17381.7	62436.3	56004.7
2004	159878.3	21412.7	73904.3	64561.3
2005	184937.4	22420.0	87598.1	74919.3
2006	216314.4	24040.0	103719.5	88554.9
2007	265810.3	28627.0	125831.4	111351.9
2008	314045.4	33702.0	149003.4	131340.0
2009	340506.9	35226.0	157638.8	147642.1

Source: China Statistical Yearbook. (2010). Beijing: Zhongguo Tongji Press.

Table 1-1 shows the GDP growth of China. In 2009, service industry in China accounted for 43.4% (Table 1-2) of GDP, which is still relatively low in proportion comparing to the world average level. The added value of service industry in China equals 1/19 of the US, 2/5 of Britain and 1/7 of Japan respectively, but the absorbed total employment is 2 times, 10 times and 5 times

of those countries respectively(Ren, 2005). It shows that labor productivity of service industry in China is rather low, the total volume is not high, and industrial quality is poor. Service brand represents one of the important sources of competitive edges of service enterprises, and is essential for the development of the service economy. Therefore, it is of great importance to study the influencing factors of service brand for the sound development of service economy in China.

Figure 1-1 GDP Growth of China (unit: 100 million)



Source: China Statistical Yearbook. (2010). Beijing: Zhongguo Tongji Press.

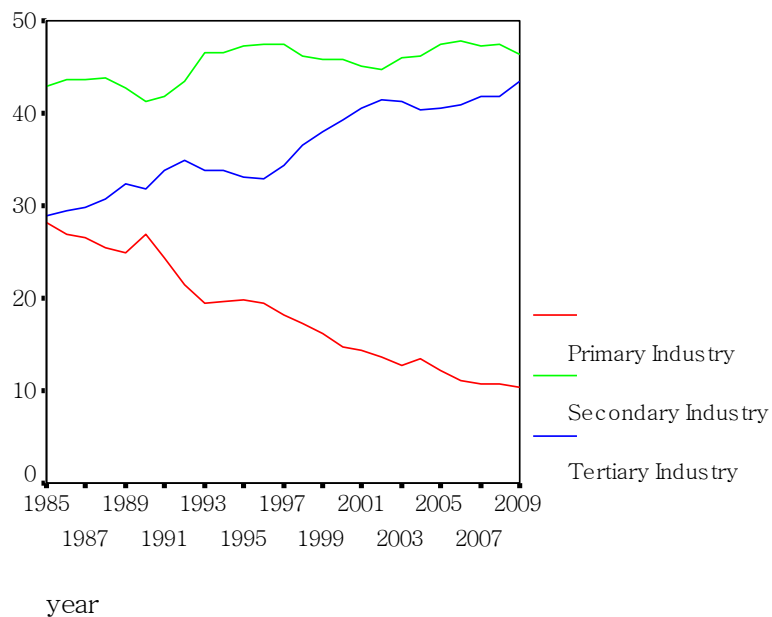
Table 1-2 Composition Ratio of GDP (1985-2009)

Year	Gross Domestic Product (%)	Primary Industry (%)	Secondary Industry (%)	Tertiary Industry (%)
1985	100.0	28.2	42.9	28.9
1986	100.0	26.9	43.7	29.4
1987	100.0	26.6	43.6	29.9
1988	100.0	25.5	43.8	30.7
1989	100.0	24.9	42.8	32.3
1990	100.0	26.9	41.3	31.8
1991	100.0	24.3	41.8	33.9
1992	100.0	21.5	43.5	35.0
1993	100.0	19.5	46.6	33.9
1994	100.0	19.7	46.6	33.8

1995	100.0	19.8	47.2	33.1
1996	100.0	19.5	47.5	33.0
1997	100.0	18.1	47.5	34.4
1998	100.0	17.3	46.2	36.5
1999	100.0	16.2	45.8	38.0
2000	100.0	14.8	45.9	39.3
2001	100.0	14.4	45.1	40.5
2002	100.0	13.7	44.8	41.5
2003	100.0	12.8	46.0	41.2
2004	100.0	13.4	46.2	40.4
2005	100.0	12.1	47.4	40.5
2006	100.0	11.1	47.9	40.9
2007	100.0	10.8	47.3	41.9
2008	100.0	10.7	47.4	41.8
2009	100.0	10.3	46.3	43.4

Source: China Statistical Yearbook. (2010). Beijing: Zhongguo Tongji Press.

Figure 1-2 Composition Ratio Changes of Primary Industry, Secondary Industry and Tertiary Industry in GDP (%)



Source: China Statistical Yearbook. (2010). Beijing: Zhongguo Tongji Press.

1.1.2 Service Brand being the Source of Differentiation Competitive Edge of Service Type Business

Due to the invisibility of service, the brand, being one of the visible forms for customers to feel service, has become an important reflection of the quality of service, and is vital to any

enterprise. Therefore, service brand, crucial to both customers and enterprises, grows to be a major factor for customers to make choices. First, service brand can lower the risk of purchasing. From the customers' viewpoint, service cannot be produced beforehand because of its invisibility. They have to take considerable risks when buying service. In decreasing the risks that customers bear, brand exerts greater influence in service than actual products. For customers, service brand can effectively shake off their worries in the process of shopping, increase their purchasing confidence, and provide them with psychological security. As for enterprises, service brand can fortify the barrier to prevent old customers from transferring to other markets and new brands from entering the market. Second, service brand can lower the costs for both customers and enterprises and improve the efficiency of trade. Customers spend less money in searching, trade, and purchasing while enterprises pay lower costs in expanding and maintaining their business. Third, service brand brings added value to customers and enterprises where customers get social and psychological value while enterprises obtain prices far higher than those without a brand. Fourth, service brand maintains customer loyalty. Through visible displays, brand service establishes good reputation among potential consumers, thus enhancing their loyalty. Reputable service companies endow their employees with a high sense of pride, which in return drives them to work with greater enthusiasm and become even more loyal. This loyalty is conducive to the overall improvement of service quality and standard. Fifth, service brand is an effective means of realizing differentiation and enhancing competitiveness. As the originality of service products is in short of legal protection, good service products are apt to be copied. Enterprises need to search for new differentiations and a major channel.

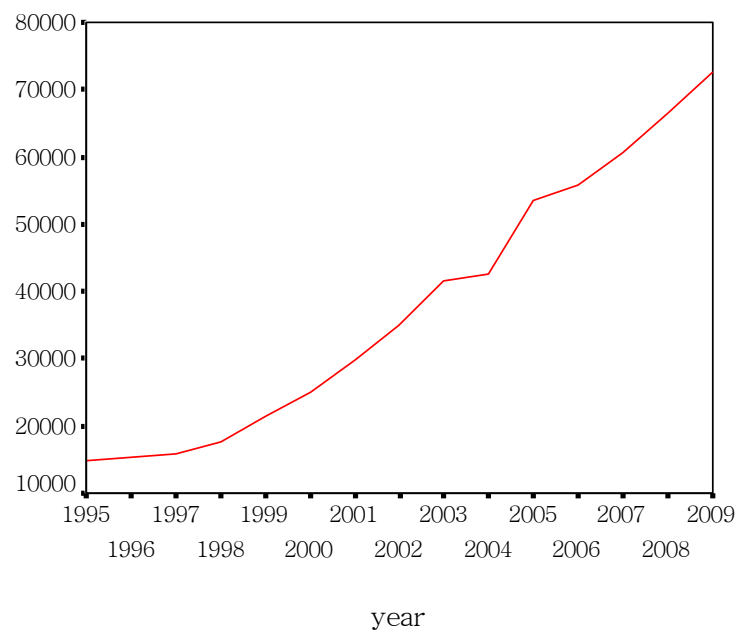
1.1.3 Status Quo of Furniture Industry of China and the Necessity to Build Service Brand

As an important component of modern service industry in China, home furnishing malls have developed to the phrase of commercial tenant type, and the competition is becoming increasingly fierce. Generally speaking, home furnishing mall belongs to the building material industry. In recent years, the demand of the industry is on the whole increasing year by year with rapid growth rate. In product sales of furniture, construction and decoration materials, the wholesale accounts for 2/3 of the total shares. According to relative statistics, at present, the gross

sales of household building materials industry have exceeded 600 billion yuan every year at an annual growth rate of over 15%(Yu, 2007).

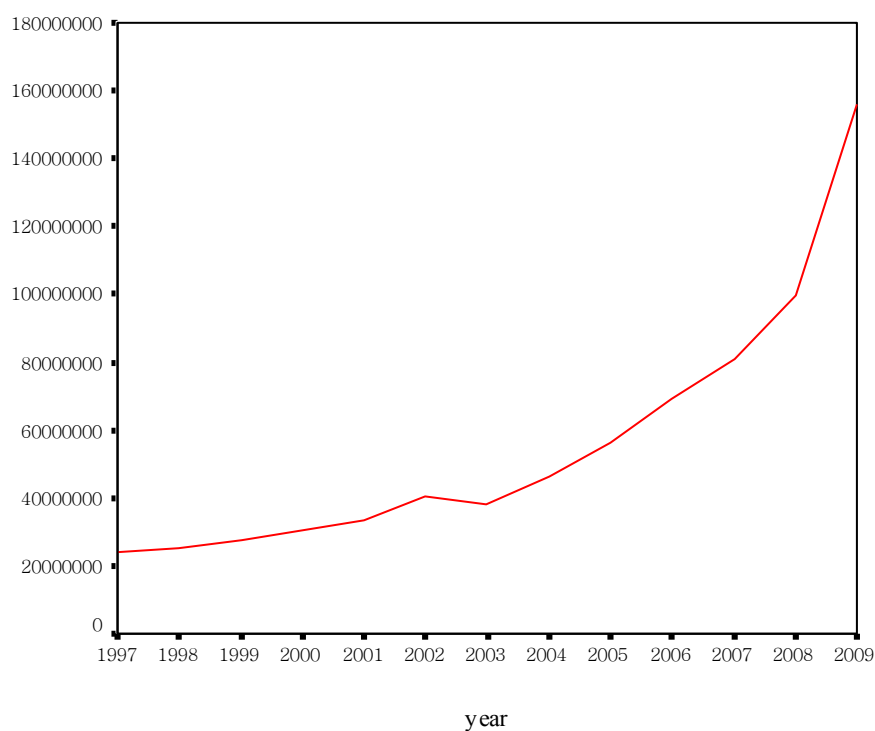
Based on the residential development planning of China, at least 200 million square meters of residential construction area are to be completed every year in the next ten years. The actual area of urban housing in China has reached 5.6 billion square meters, and more than 90 million houses need interior decoration (Yang and Zhang, 2006). Figure 1-3 shows the growth of completed floor areas made by real estate developers in China. In 2009, completed floor areas made by real estate developers in China reached 726,770,000 square meters. Insiders estimate that in the next ten years or even longer period, the development speed of construction industry will be of 3-4 percentage points higher than that of national economy in China. Figure 1-4 presents the growth of added value of construction industry in China from 1997 to 2009. In 2009, the added value of the construction industry reached 1,562 billion yuan, becoming an important growth point of the national economy. In correspondence, the building materials industry, as an important related industry, will undoubtedly witness increase with the growth of residential construction industry.

Figure 1-3 Change of Floor Areas Completed by Real Estate Developers in China (10,000 square metres)



Source: China Statistical Yearbook. (2010). Beijing: Zhongguo Tongji Press.

Figure 1-4 Added Value of Construction Industry of China in Recent Years

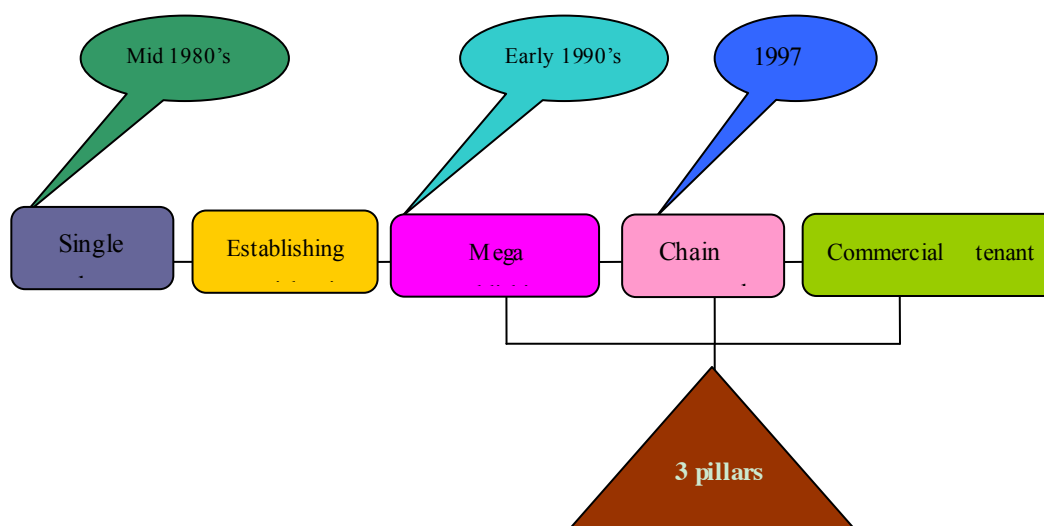


Source: China Statistical Yearbook. (2010). Beijing: Zhongguo Tongji Press.

(1) Course of business development

From the development of business type, China's building material market development course is shown in figure 1-5:

Figure 1-5 Development Phases of Chinese Building Materials



1) Mid 1980's to early 1990's

The mid 1980's witnessed the initial phase of China's building material business. At first, marketers mainly compete in form of "self and decentralized operation". With the further development of market, scattered tenants come together and gradually form the so-called "building material strip". In this period, merchants do business mainly in the form of "outdoor and street booths, small stores", where the scale is small, the variety is minimum, standard is low and no service at all is offered.

2) Early 1990's to the end of 1996

In the early 1990's, China's building material market entered an expanding phase when all tenants become aware of the image of their store, and begin to improve their products and enhance their after-sales service. As a result, a model features category collection and wholesale and retail combined appeared. With the expanding of the market and the rising of turnover of retail sales, many large building material markets come into being. At the same time, building material market operators appear, though still characterized by simple booth renting. In such building material market, retail sales and wholesale co-exist, and there are many brand shops, and market operators only take simple property management work.

3) The end of 1996 to present

Marked by the opening of the first building material supermarket—Beifang Furniture in Tianjing at the end of 1996, China's building material business entered a new phase. Following Beifang Furniture supermarket, chain supermarkets begin to thrive throughout China, bringing a completely new operation concept to this business: obtaining the source of product, daily fair price, warehouse and shore integrated, one-stop shopping, self service, professional services, centralized purchasing, and unified management. Cooperating with large logistics distribution center and e-commerce network, warehouse building material chain supermarket effectively integrates each link of the supply chain, thus enjoying the following competitiveness: lowest possible cost, convenient channel, good service, prompt feedback, standard products, and easy communication with customers. At the same time, franchise chain supermarket grows out of commercial tenant type home furnishing mall. Some underperforming commercial tenant type building material market gradually realizes chain management through brands share, management

input, and consumer resource cooperation. Brand building is the route that China's domestic furniture and building material enterprises have to take and in the next ten years or more, China's building material market will be marked by multi-business types: the co-existence of mega building material market, home furnishing mall of commercial tenant type, and chain supermarket.

As for the decoration and building material furniture market, by the end of 2009, there are 430 decoration and building material furniture markets which have over a hundred million yuan of trade volume, 210,392 tenants, 31,903,200 square meters of operation areas, and 310.927 billion yuan of trade volume. From 2003 to 2009, the compound growth rate of trade volume of decoration and building material furniture market is 15.88%, maintaining a relative rapid growth rate (Gu, 2011). The competition of decoration and building material furniture market is fierce in China, and the amount of markets is large. According to statistics of the China Building Materials Circulation Association (2010), there are about 1,000 decorations and building material furniture markets which possess over 30,000 square meters of operation area in China, and the market structure is extremely scattered.

(2) Favorable macro-environment for home furnishing mall

a) The national economy maintains growth, and the disposable income of residents is increasing rapidly

In recent years, the national economy of China maintains continued and rapid growth. In 2010, China's GDP amounts to 39,798.3 billion yuan, which is over three times of 9,593.3 billion yuan in 2001, achieving over 8% of annual GDP growth for consecutive eight years. In 2010, the domestic social retail sales of consumer goods reached 13,612.3 billion yuan. By taking off price factor, it has an increase of 14.80% comparing to that of 2009. Among them, construction and decoration materials realize 32.3% of increase, and furniture 37.2%, maintaining relative high growth speed. GDP growth boosts residents' income level, enabling them of stronger purchasing power (China Statistical Yearbook, 2010). Nevertheless, residential income level of China is still low comparing to the international average, and there is still relative big space for further increase. China encourages further improvement of residents' dispensable income, which is conducive to the sustainable development of decoration and building materials furniture market.

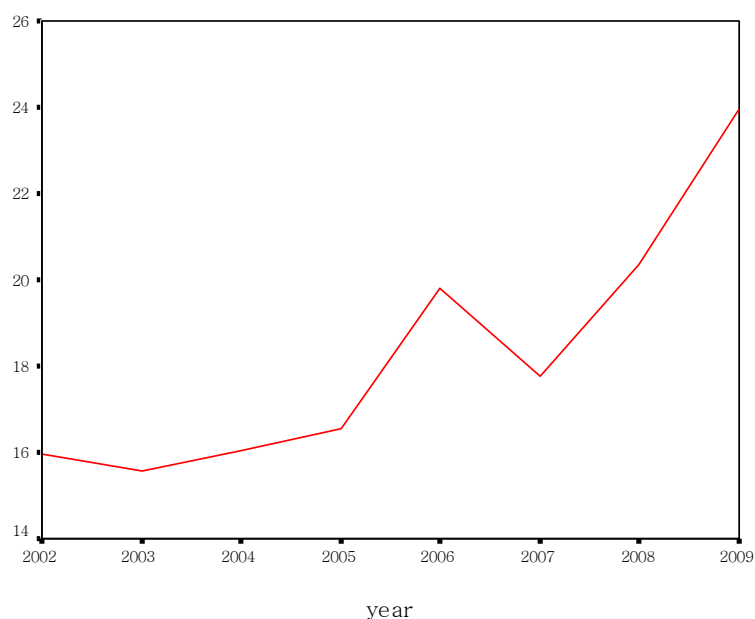
b) Continuous progress of urbanization

In the process of economic restructuring, the Chinese government tends to insist on the policy of encouraging consumption, and increase the contribution rate of consumption in GDP. Urban areas perform as the main carrier of consumption. Therefore, speeding up urbanization becomes the strategic choice of expanding domestic demands. By 2009, China's urbanization rate has been raised to 46.6%, but there is still a big gap to catch up with industrialized countries which have over 70% of urbanization rate (China Statistical Yearbook, 2010). In the next five to ten years, Midwest urban agglomeration will become the highlight in China's urbanization process, and new commercial complex and consumption markets will show up. At present, all malls of the company are located in Chengdu, and it has not stepped into main second cities, such as Mianyang, Nanchong, Pan Zhihua, Zigong in Sichuan province, where the future development potential is huge.

c) Upgrading of consumer demand

With the rapid development of national economy, groups above middle class are expanding, and the upgrading of consumer demand is driving rapid increase in decoration and building material home furnishing mall. In particular, Chinese families also have ever increasing demand for building materials, as people have better income. Figure 1-6 shows the per capita interior decoration expenditure of Chinese urban residential families. It can be seen from figure 1-6 that the per capita interior decoration expenditure of Chinese urban residential families has been increased from 15.96 yuan in 2002 to 23.98 yuan in 2009, an increase of 50.2%. With changes in consumption concepts and consumption structure, Chinese residents pay more and more attention to the housing quality. Therefore, the consumption level will rise steadily, and the demand for middle and high class decoration and building material furniture products will maintain constant growth.

Figure 1-6 Changes Per Capita Interior Decoration Expenditure of Chinese Urban Residential Families (Yuan)



Source: *China Statistical Yearbook*. (2010). Beijing: Zhongguo Tongji Press.

(3) The necessity of building service brand for home furnishing mall

Home furnishing mall service brand displays the following characteristics: first, chain home furnishing malls speed up their expansion, and their branding and internationalization grow increasingly. Second, the development of business union, industrial union and industrial chain gains momentum and vigor. Third, mega shopping malls work with multi-business types, multi-models and multi-businesses. Mega malls and home furnishing malls commercial complex rise sharply in big and medium-size cities, adding new momentum to the development of this industry.

As for the brand building of building material market, there are few domestic building material markets in China while IKEA, B&Q and many other international building material chain supermarkets enjoy absolute advantages in their operating management, capital, services and other elements. Some institutions predict that in the next ten years, China's building material market will maintain a high speed growth, and it will face fierce international competition. Meanwhile, domestic building material market competition is also violent. Though there are many regional leading enterprises, few chain enterprises go nationwide. In recent years, some national

chain enterprises, such as Macalline and Easy Home, have strengthened their brand building and have become powerful competitors.

From the prospect of general competition model, competition includes several competitive levels: price, quality, service, and brand. In the competitive level of price competition, low cost strategy is applied. In quality competition, comprehensive quality control strategy is adopted, and in service competition, differentiation and quality services strategies are taken. As for brand competition, it involves a comprehensive brand management strategy integrating several factors such as price, quality, and service. In order to maintain competitiveness and sustainable development, and to realize a transfer from resource dependent business to a capacity and value dependent one, it is inevitable for home furnishing malls to build their service brand in a fierce competition of 3C (consumer, change, competition).

1.2 The Significance of This Research

1.2.1 Theoretical Significance

In terms of theoretical study of service brand, studies are mainly on visible product brand while studies on service brand are limited, thus leaving studies on the theories and practices of service brand lagging behind. Due to the invisibility of service, the simultaneousness of its production and consumption as well as its heterogeneity, service brand displays differences from product brand. Therefore, theories and models of product brand shall not be directly employed to guide the cultivation and management of service brand. Based mainly on actual products, traditional brand theories have been developed into relatively mature brand theories and models, such as Aaker's brand identity recognition plan model (1996), Keller's consumer brand equity model (1998), and de Chernatony and Riley's double helix brand model (1999). However, there are very few documents on service brand at home or abroad and hence it is of special significance to study theories of service brand.

Many service enterprises directly apply traditional theories and models of product brand to guide their service brand management, which is, however, recently doubted by an increasing number of Western scholars such as Berry (2000), de Chematony (2001), O'cass and Grace

(2003). They begin to devote themselves especially to studies on service brand theories and models and have achieved initial fruits. China, having started later in the service industry, is in acute shortage of literature in this field. Nevertheless, more Chinese scholars have started tentative explorations of service brand theories and models, among whom Fan (2001), Bai (2002), and Han (2007a) stand out.

The process of systematic brand building is crucial to the building of a mighty brand. Although many previous studies have proposed conceptual framework for brand building, empirical research on these theories is still insufficient. Documents on service brand are scattered and lack branding building theories based on the view of service enterprises. Despite the fact that a well-accepted brand is essential to an enterprise, the existing theories fail to provide feasible practices for enterprise administrative staff.

Since studies on service brand building remains vacuum, this thesis aims to: explore China's Furniture enterprises' service brand building process, propose a service brand building model for Furniture and broaden theoretical research of service brand on the basis of domestic and international brand building cultivation theory researches as well as characteristics of furniture enterprises.

1.2.2 Practical Significance

From the angle of practical significance, service brand is a major asset of an enterprise. However, at present, many enterprises undervalue service brand, causing it unable to fully play its role in market competition. As a result, enterprises can hardly build up powerful brand equity for themselves in service brand building and brand management.

Service brand can increase its chance to be chosen by consumers. Service brand, a promise enterprise made to consumers for its service, can enhance consumers' recognition, trust and purchasing desire by making consumers indentify its specific marks. Consumers indentify different enterprises through their service brand and make choices according to their preferences. Those who provide better products and services than their rivals will win consumers' favor. Therefore, service brand with good reputation has greater chance to be chosen by consumers.

Service brand helps to enhance enterprise reputation and increases intangible asset. The

special values in brand, also called intangible asset, are useful resources for enterprises. Service brand is a promise, a series of benefits provided by enterprises for consumers, and it is also at the interest of consumers. Only when enterprises endeavor to provide better services through ceaseless efforts in service marketing, can they better satisfy consumers, win their trust, and consolidate their loyalty and thus acquire more profits, realize their operation target, and consolidate their market role. In aspect of resources, a famous enterprise and product brand enjoy the satisfaction of the society, which in turn gathers human resources, financial resources, and material resources for the enterprise. Those resources together display assembly effects of famous brand. Therefore, Furniture brand building brings enterprises with both tangible and intangible values.

Through brand service, service brand brings enterprises stable consumer base, establishes long-term cooperation, accumulates consumer resources, and thus wins a stable growth in market share. In a buyer's market, consumers prefer special services with distinctive characteristics. Therefore, if an enterprise builds its unique brand, and pointedly serves the target market, consumers will still prefer or even repeatedly purchase its high-class services even if the price is relatively higher. According to Reichheld and Sasser (1990), if a company reduces 5% of customer churn, it will see 25% to 85% increase of corporate profit. Service brand helps to build up a good enterprise image. The core value of service brand is also the essence of service brand. Both "trustable sports performance" of Nike and "funny family entertainment" of Disney have well represented the enterprise operation philosophy and cultural connotation. Excellent service brand facilitates enterprise management as well as staff quality, and hence boosts the forming of brand culture and the rise of enterprise image.

Service brand helps the internal marketing of service organization. Service brand can deliver service philosophy of an organization while service staffs play exemplary roles. These are positive elements in promoting internal marketing of a service organization. Service brand helps to protect service intellectual property right of service organization and promotes service innovation. Once a service brand is registered, it enjoys the intellectual property right that is protected by law. Therefore, service brand building is conducive to advance innovation of service organization.

The core value of home furnishing malls is quality service, which is also the key to

strengthen enterprise competitiveness. Generally speaking, a product includes three aspects. The central aspect is the “core product”, such as property, price, and quality. The second aspect includes subsidiary products and services, and the third aspect is the extension of a product, such as brand image. These three aspects combined make up a “complete product” which consumers see, buy and feel, instead of merely a “core product”. Therefore, only a complete product makes sense. Furniture brand building is an effective means for an enterprise to realize differentiation, through which, it delivers promises, performance value, benefits of the enterprise, and thus the core competitiveness of the enterprise is enhanced.

The world today has witnessed the transfer from a competition of general additional interest to a competition of service brand where every individual market leader depends on quality service. Therefore, a study on the service brand building of home furnishing malls is of great practical significance to the overall improvement of China’s service industry.

1.3 Research Contributions

For a long time, brand research has mainly been focused on product brand instead of service brand (O’Cass & Grace, 2003). Research in product brand is relatively mature, but research and practice in service brand is relatively fresh (de Chernatony & Segal-Horn, 2001). No service brand theory in Western literature is available for service brand building of home furnishing malls in China. This research will examine the existence of some driving forces and guarantee mechanisms in brand building practice of home furnishing malls, and verify that certain development process is followed. Meanwhile, the research aims at discovering crucial influencing factors of every aspect, which is of certain learning meaning theoretically for service enterprise to perfect the home furnishing malls and establish relative theories. This research will fill the gap of service brand building theory for Chinese furniture enterprises. As the research is based on case study of Chinese service enterprise, the goal of this study is not to work out a generalized and universal theory. The goal is to explore some theories initially for further empirical examination in the future.

1.3.1 Driving Forces of Service Brand Building

In terms of driving forces of service brand building of home furnishing malls, most available theories present some theoretical driving forces from theoretical angles. However, few empirical studies are conducted to see which one or what kinds of driving forces play on earth the leading role in service enterprises practice. Meanwhile, current study is either carried out for tangible products brand building in a relative large range or focus on service brand building of the whole industry, and research in service brand building of home furnishing malls is seldom seen. The research will discuss the main driving forces for service brand building of Chinese home furnishing malls. The main influencing driving forces include the internal driving force of senior managers and the external driving force of customer information. Meanwhile, the external driving force of peer competitor is also functional. However, the impact of driving forces of brand manager, intermediary organization, grassroots customer contact personnel and non-contact personnel is less distinct.

This research aims at contributing by proposing the driving forces of service brand building in the specific sector of home furnishing malls in China for the first time. Second, the driving forces of China's service brand building, namely the importance of personnel, differ distinctively from foreign countries. In China, more attention is paid to emphasize high-level administrative staffs rather than other personnel. As service differs from product, service brand also bares different features from product brand. Blankson and Kalafatis (1999) point out that service brand relies more on employees' attitudes and behaviors. In addition, most product brands take certain kind or type of product, instead of the enterprise, as the brand objectives, but service brand usually uses the enterprise brand as the primary brand. Therefore, senior manager plays a key role in service brand building. The driving forces of service brand building in China show uneven internal and external personnel and insufficient participation of external professional agency in particular. This might be related to factors of small number of professional service brand agencies in China and lack of professional and standardized markets. In addition, hysteric practice and theory of service brand building also constitutes crucial reasons for such problem and phenomenon.

1.3.2 Guarantee Mechanism of Service Brand

Some scholars view service brand as a promise (Ward, Light, & Goldstein, 1999). Such promise is realized by contacting the customers, and the contact process requires working staffs to realize and even go beyond the promise by excellent performance. Ambler and Styles (1997) define brand as a promise to a series of properties, which could be real or visional, rational or emotional, tangible or intangible. Therefore, only when the employees understand the brand, and recognize specific properties of service brand promise, can they convey the brand value to the customers. If employees do not have unanimous understanding of the brand and brand promise, or if the internal communication is insufficient, the brand promise cannot be smoothly and successfully realized, and the brand value can not be conveyed. Therefore, beside the necessity of driving factors, which help to build service brand for home furnishing malls, certain mechanism and institutional design are also required, so as to guarantee the initiation and implementation of service brand building work. Through review on available literature on brand management theories, we will study the effective mechanisms, including company strategy, organizational culture, teamwork and incentive mechanisms, which guarantee the implementation of service brand building. All of these mechanisms impose different influence in the process of building service brand. However, relative empirical study is zero in the impact on specific company activities, and whether the impact is the same or not.

The study shows that company strategy and organizational culture provide major support and guarantee for building service brand, and incentive mechanism is basically not adopted. Comparing with the tangible product brand, the building of service brand pays more attention to the role of organizational culture. A company needs to combine the service culture, brand culture and company culture. Only by doing so, can the company see promises from employees to the company and the core value of the service brand, and only by doing so, can the employees and the company be driven to realize the vision and mission of service brand. The internal driving forces of home furnishing malls mainly come from high-level managers. For these employees' spiritual drive, such as self-fulfillment drive, is more effective. Therefore, for home furnishing malls, importance of company strategy and emphasis on organizational culture to service brand building is more distinct, while the material incentive is relatively less important. In addition, the study

finds that the performance generated by single service brand building is very difficult to be measured for home furnishing malls companies. As a result, the incentive mechanism based on service brand performance is consequently hard to be determined.

1.3.3 Building Process of Service Brand

The building process of tangible brand has been the study focus of scholars, relative sound theoretical frame has been developed, and some empirical studies have been conducted in this regard. However, study on the building process of service brand is quite insufficient. Some scholars propose strategies on service brand management and building through researches. Dobree and Page (1990) point out that there are five steps to build service brand: build a brand view point, overcome internal obstacles, evaluate the brand express effect, maintain improvement and expand customer groups. The benign cycle model of brand management proposed by Kotter and Heskett (1992) shows that brand building of a company should not only pay attention to the customers and distributors, but also the mutual influence of employees and consumers. A company should attach importance to employee cultivation, recruit employees who have similar value with the company, communicate with employees, exchange ideas in brand connotation, and form consistent employee behavior on the basis of same culture. Causon (2004) proposes three phrases to carry out internal brand rebuilding: education, sense of identification and implementation. Brand internalization, which is more important to service than products, is required for service enterprises. From the angle of service brand building of home furnishing malls, this research develops on the basis of Chinese home furnishing malls, especially the malls of commercial tenant type. Meanwhile, it is also proofed by case study.

On the side of building process of home furnishing malls service brand, internal service brand building process is relatively matched with the overall frame of service brand building summarized in this thesis. However, it still shows relatively strong informal tendency in specific implementation by service companies. It shows that in the process of building service brand, Chinese home furnishing malls usually do not have an official development process, and they will still, however, march forward according to certain stage or steps. This is related to the frequent exchange of different tasks and management chaos in the building process of home furnishing

malls. Every department of home furnishing malls, especially the marketing department, can carry out relative service brand building undertakings. Moreover, the interaction is complicated among different departments and individuals, or between different departments and individuals. Therefore, a universal service brand building process for service enterprise is not possible to be standardized. The informal tendency proposed by this thesis is in line with the empirical study results of service brand building of some literatures, such as that of de Chernatony, Drury and Segal-Horn (2003).

1.3.4 Theoretical Model of Service Brand Building

Available literature mainly focuses on the brand building of tangible products, and study, if there is any, on service brand only rests on applying mechanically the brand building or tangible products. Some scholars have conducted preliminary research in service brand building, such as de Chernatony, Drury and Segal-Horn (2003). Through literature review and qualitative and in-depth interviews with 28 senior consultants, they have proposed a service brand building management model. However, the research is limited in only studying the viewpoint of intermediary consulting agents. The interviewees are neither enterprises managers or employees, nor the consumers, and they do not conduct field research in brand building personnel of the service enterprises, such as the managers and employees. Therefore, without the verification of service enterprises' practice, the model could be a standstill in theoretical assumption. Thus, further research and exploration in external consumer communication, internal employee management, interaction between employees and consumers and other specific elements are still needed. In addition, as service brand model in the West is built under the backdrop of Western culture, it is based on Western countries consumer psychology and development of Western service enterprises. Therefore, further verification is needed to see whether it suits Chinese service enterprise brand management.

On the basis of literature review, this thesis establishes a theoretical model of service brand building of Chinese home furnishing malls. Through an all-round interview and field research of service brand building of Chinese home furnishing malls, verifications and revisions are made to the theoretical model. Finally, a revised theoretical model of service brand building of Chinese home furnishing malls is formed.

1.4 Problem Statement

1.4.1 Description of Problems

As a strategic resource as well as the most important asset of service enterprise, service brand gradually replace product brand and has become the focus of theoretical and practical study. Before 1995, there are very few studies on service brand building, (de Chernatony & Riley, 1999). Documents on furniture service brand are even less. Because that service brand building is involved throughout all enterprise activities, no clear study or conclusion is made on how to build furniture service brand.

Based on previous research and under the theme indentified, this research is going to probe deeply into the issue of the building of furniture service brand, and try to answer the following major questions:

First: what is the status quo evaluation of brand building of home furnishing malls?

This question is mainly to answer what furniture service brand is and how to measure it. To understand “what furniture service brand is” involves a study on the constitution of the asset of furniture service brand. Such study shall measure brand equity. For example, Aaker (1992) divides brand equity into five dimentions, namely brand loyalty, brand recognition, perceived quality, brand association, and other brand asset. By inputting cost, enterprise can directly change these five elements, which play significant roles in promoting brand equity.

Measurement of the service brand of home furnishing malls lies in consumers’ general evaluation of the brand equity. Based on previous studies and the practical needs of enterprises, and combining the characteristics of home furnishing malls brand and enterprises and their consumers, this research chooses the role which brand image plays in influencing brand building from consumer’s prospect as a measure. In this measurement, several indexes, namely the market share, brand recognition and reputation, service quality perception, service staff satisfaction and enterprise honor will be employed as the diagnostic tools of service brand building according to the existing service brand research fruit and enterprise practices. A research in these factors, whose influences are varied because of consumer’s differences characteristic and purchasing

desires, will reveal the different results of service brand building. For enterprise practice, out of these factors, there are some fundamental ones which directly drive brand equity as well as some other adjustment ones which are related to specified conditions. These factors are highly complicated and are affected to different degrees by the characteristics of consumers, enterprises and products. This is the reason why it is necessary to understand how consumers perceive and value the above factors. Besides, there is inevitably a gap between the brand perception of enterprises and that of consumers. This research tries to answer the question of how to fill the gap and spread this model to banks, financial institutions and other service business.

Second: What are the driving factors of service brand building of home furnishing malls of commercial tenant type?

Why does a home furnishing mall of commercial tenant type need service brand building? It is because service brand building is a dynamic circular process. The driving factors of service brand building refer to the factors, such as information, which have been constantly input into the circular process. Service brand starts from 1970s. When western countries loosen their control in service industry and the competition among enterprises grew fiercely. Obviously, consumers, stakeholders and company strategies all exert influences on the company's decision of whether to build service brand or not. Based on a study of the service brand building of home furnishing malls this study tries to research and discuss where the driving forces of the building of service brand system come.

Third: What are the phases and steps of the service brand building of home furnishing malls of commercial tenant type? How formalized is the brand building?

Based on a research of the elements that affect furniture service brand building and consumer's perception and evaluation, this research will analyze the building process of home furnishing malls of commercial tenant type, namely the internal and external steps and procedures of the brand building of home furnishing malls. This study will answer these two concrete issues: what are the internal service brand building steps of home furnishing malls, and what are the external service brand building steps of home furnishing malls?

Fourth: What major guarantee mechanism is employed in the brand building of China's home furnishing malls of commercial tenant type?

The service brand building of commercial tenant type home furnishing malls is affected by the company's internal conditions and external environment as well as many other elements. This study will discuss how to provide a guarantee system for service brand building of commercial tenant type home furnishing malls. In this way, this research fuses together the above elements which affect brand building and brand equity, so as to discuss the mechanism issue of service brand building of home furnishing malls. Specifically, does company strategy center around service brand building? In company organization, does the enterprise culture encourage the building of service brand? Does the enterprise team have strong service brand awareness? In incentive mechanism, does the company have a specific material and spiritual incentive mechanism in service brand building?

We propose to give a specific answer to the concrete issues of these four layers (table 1-3) which we acquire by interviewing enterprise management staff. These issues are not only the loophole of home furnishing malls of commercial tenant type, but also an important part that commercial tenant type home furnishing malls needs to work on as, at present, the study on service management theory in China still remains blank.

Table 1-3 Concrete Analysis of the Building of Service Brand of Home Furnishing Malls

Four layers	Perspective	Detailed Questions
Status quo evaluation to service brand of home furnishing malls	Dimensions of service brand equity	What is service brand of home furnishing malls? What factors are included?
	Evaluation to service brand equity	How to measure service brand of home furnishing malls? What indexes are involved?
Driving factors of service brand building of home furnishing malls	External driving factors	(1) Whether consumers take part in service brand building or not? (2) Whether to learn from rivals' service brand building or not? (3) Whether suppliers take part in service brand building or not? (4) The role of professional agent?
	Internal driving factors	(1) Whether senior and middle managers participate in service brand building or not? (brand manager, vice senior brand president, CEO) (2) Whether consumer service staffs participate in service brand building or not? (3) Whether non-consumer service staffs participate in service brand building or not? (4) What is the role of market department? (5) What is the role of cross-functional department?

The process of service brand building of home furnishing malls	Brand auditing phase	(1) Whether there is internal environment analyze or not? (2) Whether there is external environment analyze or not? (particularly about government)
	Brand recognition phase	(1) Whether there is core recognition or not? (2) Whether there is extension recognition or not?
	Brand positioning declaration phase	(1) Whether the selected part from brand recognition is emphasized or not? (2) Whether there is communication with consumers or not? (3) Whether there is communication within staff workers or not?
	Brand implementation phase Brand implementation phase	(1) Whether to select brand constitution or not? (2) Whether to develop matched marketing portfolio or not? (3) Whether various auxiliary factors that affect consumers' impression of brand are made use of or not?
Guarantee mechanism of service brand of home furnishing malls	Corporate strategy	Whether the corporate strategy revolves around sustainable service brand building or not?
	Organization environment	(1) Whether the enterprise culture encourages service brand building in its organization environment or not? (2) Whether the company work team shows a strong sense of service brand or not?
	Incentive mechanism	(1) Whether the enterprise has a specific material incentive mechanism for service brand in its overall incentive mechanism or not? (2) Whether the enterprise has a specific spiritual incentive mechanism for service brand in its overall incentive mechanism or not?

With research work, this thesis provides practical thinking and method for home furnishing malls of commercial tenant type to create a new business model and for enterprises to speed up their service brand building, as well as for the forging of core competitiveness, so as to contribute to the modern service industry of China.

1.4.2 Objective of the Study

This research chooses furniture as its objective of study mainly for the following reasons: on

the one hand, furniture is a most representative business in service industry, which is developing rapidly in China, and it has become a major component of China's local economic growth. Among the service businesses, of which experience property overweighs search property, service brand exerts greater influence. It is because in an experience biased business, consumers rely more on external properties (such as brand) to evaluate perception quality and perception value, and furniture is just such business. On the other hand, there is a lack of study on service brand building of home furnishing malls both at home and abroad.

Comparing to that of other consumer markets, the service brand of furniture, particularly some home furnishing malls of commercial tenant type, whose consumers are some firms instead of ultimate consumers, has its unique characteristics. According to the types of target consumers, market can be further divided into consumer market and business market. Consumer market refers to a market that provides ultimate products and service for individuals and families. Business market, a market with firms and institutions as its consumers, mainly include producers' market, dealers' market, and social group market. Divided by the object of transaction, market falls into two classes: service market and tangible product market. The attitude and behaviors of consumers, and brand building vary from one type of market to another. Home furnishing malls can be subdivided into consumer market and business market. However, previous studies on service brand mainly focus on service brand relationship between enterprises and ultimate consumers. Therefore, studies on the service brand building of home furnishing malls of commercial tenant type are required, so as to provide a theoretical guidance for new business models. With all the above factors taken into consideration, this research decides to take consumers of home furnishing mall as its object.

1.4.3 Purpose and Rationale of the Study

(1) Purpose of the study. Theoretically, this research is going to sort out concepts related to the building of service brand of home furnishing malls, explore the status quo of service brand of home furnishing malls, map the procedure and guarantee mechanisms of the service brand building of home furnishing malls and construct a scientific and reasonable model as well as a theoretic guidance for the building of service brand of home furnishing malls.

Practically, this thesis is going to analyze the status quo and problems in service brand building of a specific industry in China - home furnishing malls -, so as to provide specific advices. This study aims to reach a practical thinking and method for home furnishing malls of commercial tenant type, so as to propose a new business model for enterprises to speed up their service brand building and the forging of core competitiveness, and ultimately make positive contribution to the development of China's modern service industry.

(2) Rationale of the study. Following the rules of empirical study, this study puts forward managerial suggestions specifically for the existing problems in the service brand building of China's home furnishing malls through: (a) a review of theoretical documents relevant to service brand, (b) the construction of conceptual framework of the service brand building of home furnishing malls, and (c) a test to these theories in the form of interview, investigation and other actual data.

First, this study will, on the basis of brand theory and the characteristics of home furnishing malls, propose theoretical indexes for service brand of home furnishing malls. This research will testify the rationality of these theoretical indexes through investigations in consumers' perception status of these indexes. With the result, this research will determine the elements of service brand equity of home furnishing malls and make a preliminary evaluation in service brand equity. Thereafter, analyses will be conducted in the building process and steps of service brand of home furnishing malls, as well as the formalization of the building process. Finally, this work will make empirical studies on the guarantee mechanisms of service brand of home furnishing malls. Based on theoretical research on the problems in the building of China's service brand of home furnishing malls, this study will give suggestions to service brand building of home furnishing malls.

Chapter 2: Literary Review and Theoretical Framework

2.1 Service Brand Theory

2.1.1 Concept and Characteristics of Service

(1) Service connotation. Theoretical study on service can be dated back to the 1960s. However, people have not formed a universally accepted definition of service until now. Regen (1963) points out that service means an imperceptible activity, which directly provide satisfaction, or provide satisfaction with other service to customers. Lehtinen and Jamro (1984) propose that service is an activity, or a series of activities that provide satisfaction to consumers by interacting with certain intermediary or machinery equipment. According to Gronroos (1990), service is an activity or a series of activities, existing more or less in tangible or intangible form, which happens between consumers and service employees, tangible resource, products or service system. These activities can help consumers resolve problems. Kotler (2000) points out in his classic marketing textbook that service is a basically intangible activity or benefit that is provided by one side to another, and no ownership is generated in the process. It may coexist with certain tangible product or not. This definition reflects the innate character of service relatively complete, and is therefore valued and used by many scholars.

(2) Characteristics of service. Service has the following main characteristics: intangibility, heterogeneity, inseparability, perishability and non-transferability (Ellis & Mosher, 1993).

a) Intangibility. Service is a process, a performance or an action. People can not see, feel or touch service as they do to tangible products. The intangibility of service makes it unsuitable for service to be displayed or communicated. As a result, it is difficult for consumers to estimate the quality.

b) Heterogeneity. As service is basically a series of actions presented by employees, there is no service that is completely the same. The same service, provided by different employees at different time in different place could show different effect; even if it is provided by same people at same time or in same place, the service quality could be different as customers have unique requirements, or they want to experience the service in a unique way.

c) Inseparability, which is also called synchronization of production and consumption. Most tangible products are firstly produced, and then are sold and consumed; however, most service is sold firstly, and then is produced and consumed at the same time. Consumers participate in the service process, and then, all interaction between service provider and consumers and among different customers would affect customer experience.

d) Perishability, which is also called instantaneity. Service can not be stored, resold or returned. Service can not be stored means that predicable plan can not be made in line with the market demand, and productive forces can not be fully utilized; service can not be returned or resold means that forceful remedy strategies must be formulated.

e) Non-transferability of ownership. The non-transferability of service ownership means that no ownership transfer is involved in the process of service production and consumption. Service will vanish as the transaction completes. Customers do not substantially own service, and this is the origin of service risks.

2.1.2 Concept and Characteristics of Service Brand

(1) Connotation of brand. Initially, brands are various kinds of signs designed for people to resolve problems of identifying their own prosperities. The earliest written record of brand is the “white rabbit” sign of the Lius in Jinan, Shangdong province, Northern Song dynasty of China and the written records of brand do not appear until the beginning of the 19th century.

Brand is a name, term, mark, symbol, or a combination of these elements. It is used to identify an enterprise or a series of products or service of the enterprise, and distinguish itself from other competitive manufacturers (Kotler, 2000). This definition puts emphasis on the external performance of brand. The American Marketing Science Research Institute defines brand as the following: brand is the connection and behavior of customers, channel members and parent company. These connections and behaviors enable products to win more sales and profits than those without a brand name. In such way, it endows the brand stronger and more enduring competitiveness than its competitor. This definition emphasizes that brand can bring more economic profits to the company. Aaker (1996) studies brand from the angle of humanity, and he deems brand as the symbol of personality that is welcomed by consumers.

In face of various kinds of competitive brands, consumers will measure the degree of suitability among different competitive brands, and choose one that suits the customers themselves. He further proposes five dimensions of brands, namely the sincerity, excitement, capability, skill, and boldness.

Keller (1998) thinks that brand comes from differences reflected by consumers. The difference of having or without a brand lies in the overall perception of the brand name and what it represents by consumers. In other words, brand is something that exists in people's mind in a perceptible way. Kapferer (1997) proposes the concept of brand ontology, and thinks that a brand should contain several parts as a structured whole. He further develops the six prism ontology model, which divides brand into six aspects, namely the exterior, personality, culture, relation, reflection and self-image. These invisible parts support the visible parts of brand, so as to ensure the complete entity of brand. Philip Kotler (2000) elaborates further the nature of brand on the basis of brand semeiology. He thinks that the nature of brand is a group of specific features, benefits and service provided by sellers to purchasers; the best brand implies a guarantee of quality. However, brand is also a more complicated symbol: a brand can express six dimensions of meaning, namely the property, benefits, value, culture, personality and users. The most lasting meaning of a brand should be its value, culture and personality, which determine the foundation of brand. A brand is a group of specific features, benefits and service provided by sellers to purchasers, and the core of a brand is the value, culture, personality and emotion. Brand is a type of intangible asset, a mark of certain products and a kind of culture. Brand represents a kind of word of mouth, a taste, a style and a way of life. Such definition adopts a comprehensive viewpoint.

The concept of brand is widened by people: brand is the product, the enterprise, the people and the symbol. de Chernatony (2001) combs various kinds of brand definitions. He summarizes three angles of brand definitions: the input, output and time of brand. Brand input includes logo, legal tool, enterprise, shorthand, risk reduction tool, position, personality, value chain, expectation, added value and ontology. Brand output includes impression and relation. From the angle of time, brand is the entity of evolution.

(2) The definition of service brand. Service brand is the name or other mark symbol of

service institution or other service department, service post, service personnel, service production line, service activity, service environment, service facility, service tool and service object. It is a concept that covers a wide area (Chen, 2001). In fact, this concept points out the elements of service brand. Brand elements include verbal and visional content and products characteristics. To be specific, it includes advertising slogan, brand name, logo, packing, product appearance design and operator interface design (Folkes & Matta, 2004). Berry and some other scholars (1988) consider the name of service enterprises as the name of brand. Service brand is externally manifested the personal logo, name or symbol of the company service system, and internally, shows the sum of customers' perception of the visible part and the experience of the service process. The core value is the effect and feedback of service and the nature is a kind of promise provided by the company to customers.

Service enterprise brand differs from service brand, but is closely connected with service brand; service enterprise brand is made by deeming the enterprise as a "complete product". Generally speaking, an enterprise would use the enterprise name as the enterprise brand, such as McDonald's and KFC, while service business brand is designed by the service enterprise for certain product. It reflects the quality and unique function of this certain product. Besides, it is part of enterprise brand, and is meaningful for having provided the standard to distinguish and judge product differences and shown the external form of enterprise brand connotation. For instance, through different market position, China Mobile introduced three business brands, namely the Easyown, GoTone and M-zone. Service brand is also a brand proposed by company, and it is also a part of enterprise brand; however, differently from service business brand, it puts more emphasis on the intangible "service process" brand, such as the "fire" of Beijing Wanfujing department store and the "rainbow service" of Gome Electrical Appliances Company. In fact, some researches do not strictly distinguish service enterprise brand, service business brand and service brand, for service business brand and service brand can promote company image, popularity and reputation. For McDonald's and KFC, the enterprise brands represent their service brands. As for China Mobile, which has been developed to certain large scale, the introduction of different business brands is for the benefit of developing company image and promoting company reputation. However, for newly emerged service enterprises,

the enterprise image represents both business brand and the service brand. Therefore, the generalized service brand includes the connotation of these two aspects.

Due to the intangible nature of service, it is different from common tangible products. Therefore, service brand is more important for service enterprise. Enterprise brand can bring added value to competition among different service brands, increase the consumer perception of these brands, reduce accompanied risk perception when buying service, and maintain service quality. In such way, brand can concretize the intangible service, and enhance customers' understanding of the service products.

For a service company, the enterprise brand is core (Berry, 2000). Generally speaking, service brand is the enterprise brand and they are hard to be separated. The enterprise brand is the strategic resource and the most crucial asset of the enterprise. It helps to broaden the channel and distribution network of service enterprise, and is conducive to extend the brand, which is of great benefit for increasing the enterprise's flexibility in pricing. In addition, it needs to be explained that some manufacturing enterprises are also building service brands. For instance, Haier, the large Chinese global company, creates the service brand of "Sincere forever". However, due to the different nature of enterprises, and their activity focuses and operation goals, the standpoints of service brand strategies are different from industry to industry. This research mainly discusses service brand of pure service industry, and specifically the furniture industry, and the range of service brand is defined within service brand built by service enterprise.

Therefore, this research argues that service brand means the combination or promise of a group of functional and emotional values, and it can bring special experience and value to stakeholders of the enterprise.

(3) Characteristics of service brand. Service brand mainly has the following characteristics (de Chernatony et al., 2003).

a) Service enterprise shoulders the responsibility of "concretizing the intangible service". Because of the intangibility of service, enterprise must use brand proof or tangible service clue, including core service, personnel service, brand name, cost performance, self-image and advertising promotion to convey brand value, and influence customers' attitude and behavior

toward service brand.

b) Enterprise brand is paramount important in the process of building service enterprise brand. In service industry, enterprise brand is the major brand. Enterprise brand has strong impact on its business brands. A unanimous enterprise brand can inspire customers' functional value and emotional value. Due to the delayed verification of service, brand image plays important role in customers' purchasing decision, and the service enterprise uses brand as the foundation to establish a relationship of trust.

c) Customers' participation in service enterprise brand building. Production service of enterprise is closely related to consumption service of customers. Therefore, customers will interact with service enterprise in an all-round way. Such service interactions include not only interaction between customers and service personnel, but also between customers and equipments and other tangible things. No matter what kind of service industry it is, customers would participate in the service building of the enterprise, only to different degree of participation.

d) Employees are the main body of building service enterprise brand. Even if the service enterprise has planned a very good positioning and has designed great promoting program for brand building, it could be hard to carried out without enough importance being paid to the role of employees in production and providing service. To ensure the consistency of service, service enterprise should cautiously choose and train its employees, and monitor strictly the service process. Service enterprise must pay great attention to the increase of input in personnel training, improvement of employees' ability of dealing with unexpected situation, and the employment of employees who are suitable for its service culture and are able to resolve changes and challenges.

2.1.3 Service Brand Equity

Service brand equity represents and quantifies service brand value. Both "Brand Equity" and "Brand Asset" are terms related to brand equity. The former is translated in Chinese "ping pai zi chan" or "ping pai quan yi", and the later is translated in Chinese "ping pai zi chan", which lay particular stress on financial accounting. At present, Western service management literature usually uses "Brand Equity" instead of "Brand Asset", and usually translates into

“ping pai zi chan” in Chinese.

Aaker (1992) thinks that brand equity means a series of equities or liabilities related to brand, brand name and brand logo. It can increase or decrease the value of the product or service to the company and customers. Suppose the brand name or symbol is changed, the combined equity and liability could be affected or even vanish. Keller (1993) proposes the concept of brand equity based on customers. He thinks that it is the existing brand knowledge in customers' minds that lead them to reflect differently on brand marketing activities. Brand equity is generated from customers' brand choice. Often, consumers make purchasing decisions on the basis of their pre-exist brand knowledge. If a company wants to build brand equity, it should begin with building customer brand, endowing relatively high brand recognition and strong, positive and unique brand image.

Brand equity is a multi-dimensional concept. Aaker's (1992) five-star model of brand equity is also called brand equity model. The model consists of five elements, namely the brand awareness, brand association, brand loyalty, perceived quality and other proprietary brand assets. Brand awareness mainly means brand popularity, which show to what extend the brand is known by consumers. Brand association means the impression produced by consumers on the brand. Brand usually associates people with product characteristics, consumer constitute, consumer benefits, competitors. Brand loyalty is customers' preference to a brand during contact with it. It keeps consumers to use the product or the service persistently. Perceived quality means consumers' overall feeling of the quality of a brand. Other proprietary brand assets means those special assets which are closely related to a brand, and insert great influence to the competitive edge and valued added capacity of the brand. These assets, such as patent, proprietary technology and distribution channel, are hard to be classified accurately. Aaker (1996) has further divided these five dimensions into ten specific measurement indexes, namely the loyalty (premium, degree of satisfaction/loyalty), brand awareness (quality awareness, organizational association, brand awareness, leading edge/popularity), brand association (value, brand personality), market situation (market price and sales region, market shares).

Keller's (1993) CBBE (Customer-Based Brand Equity) model points out that brand

equity means the existing brand knowledge in customers' minds that lead them to reflect differently on brand marketing activities. Customers' brand knowledge is the key to promote brand equity. Brand knowledge includes two parts: brand awareness and brand image. Brand awareness includes brand recognition and brand memory, and brand image includes the type, strength, degree of favorability and uniqueness of brand association. Keller (2001) further points out that brand equity consists of six dimensions, namely the brand image, brand characteristics, brand performance, customer judgment, customer emotion and brand resonance. Brand image mainly means major customer features, purchase and using occasion, personality and value, historical origin and experience. Brand characteristics mean brand identification recognition. Brand performance mainly includes basic and subordinate characteristics, products reliability, maintenance, durability, service efficiency, empathy, design, style, and price. Customer judgment includes quality, credibility and superiority. Customer emotion mainly consists of warmth, happiness, excitement, safety, social recognition and self-esteem. Brand resonance includes loyalty, attachment, collaboration and promise. Brand characteristics are in correspondence with brand awareness; brand performance and brand image responds to brand connotation; customer judgment and customer emotion is related to brand reflection; and brand resonance parallels with brand relationship. On the basis of a study conducted by Aaker (1991) and Keller (1993), Yoo and Donihu (2001) conducted empirical research by taking Americans, South Koreans born in America and South Koreans as the objects, and found that brand equity is constituted by three dimensions, namely the brand loyalty, perceived quality and brand association. In turn, Netemeye et al. (2004) found out that brand equity includes four dimensions: perceived quality, perceived value, brand uniqueness and paid premium for the brand.

There are many factors that can affect brand equity. For example, Keller (1993) thinks that brand equity comes from property (including properties related to products, price, packing, pattern of users, using occasion and other properties that is not related to products), benefits (function, experience and symbol) and attitude. The brand equity function, namely brand equity's value to the enterprise, is mainly manifested in property value, customer value and extended value. Property value means intangible assets, which has certain financial value,

formed by brand itself in the process of products or service marketing and promotion. It is another important profit source for a company in addition to tangible and intangible assets; customer value uses brand marketing to realize psychological and behavioral changes in customers (including potential customers), and consequently become crucial factors in influencing customers' purchasing decision; extended value means that the brand, which is familiar with and loved by customers, can provide convenience for enterprises to enter new service field and introduce new products, and it also provides opportunities for enterprises to make new profits as well as the origin of profits. According to these three aspects, brand equity can be divided into three dimensions: property equity, customer equity and extended equity. Property equity shows the value, which is created by using certain brand in the present business area; customer equity represents the effect of existing brand on customers' psychology and behavior; and extended equity stands for expanded brand.

2.1.4 Internalization of Service Brand

Service brand building calls for attention to the inside of a company, and brand building should be realized through internalization (de Chernatony & Segal-Horn, 2001). Berry and Parasuraman (1991) think that internalizing the brand includes: training employees, imparting brand marketing to them, sharing the exploration and strategies behind the brand, improving employees' creativity and brand communication ability, strengthening brand behavior training, rewarding and showing encouragement to employees who support brand building. The most important thing is for employees to participate in training and brand building themselves. Berry and Parasuraman (1991) propose the concept of internalizing the brand, which pays great attention to employees, and consists in a series of brand building undertakings involving employees. Dobree and Page (1990) propose five steps for the internalization of service brand. Brand internalization begins with establishing brand promise, which is also a building of brand viewpoint. Then it follows with a series of process to internalize such viewpoints to various levels of the company: promise spreading, employee training, information transfer and feedback, and employee incentives. Finally is the showing of employee awareness and behaviors. Tansuhaj (1995) puts forward the idea that by recognizing employees' core roles in service marketing, and internal marketing should be guided by employee development.

Bergstrom, Blumenthal and Crothers (2002) think that the internalization of brand includes three parts: transmitting the brand effectively to employees; making them believe in the brand and in its value; and successfully connect every organized work and the transmission of brand value.

After the proposition of the concept of brand internalization, scholars begin to pay attention to the question of building internal service enterprise brand (Vallaster & de Chernatony, 2005; Causon, 2004; Berry & Lampo, 2004). Researches in service brand internalization spring up in recent several decades with the prosperity of service economy and increasingly mature service enterprise brand management (Zucker, 2002). The author thinks that the service brand internalization is a process, in which service enterprises dedicate to planting brand concept and brand promise into employees' awareness, letting them share brand idea and participate in brand cultivation, making enterprise's brand promise be shown in every employee's work, and finally in their awareness and behaviors. Internationalization of service brand is a universal phenomenon of successful service brand. It is a process: firstly, enterprises set the goal for brand building; secondly, change employees' awareness and behaviors through internal marketing, and form the awareness and behaviors of valuing brand building; finally, transmit the brand value successfully to customers.

2.1.5 The Difference Between Service Brand and Product Brand

Although product brand operation and service brand operation are similar in some way, the marketers of service enterprise still face challenges in building a brand, and the specialty of service requires the adjustment of specific method. According to the research conducted by de Chernatony and Riley (1999) who interviewed 20 famous brand advisors, service brand and product brand have the following differences: (1) the concept of brand is similar for both product and service, as it is defined as the perceived combination of logic and emotion. Both brands come from the same position process; (2) the principles of branding of service and product are basically the same on the brand concept level, however with different tendency in implementation methods; (3) service organization, especially financial service enterprise, does not pay enough attention to the development of brand into a tool which simplifies customers'

comparison and choice among competitive service products; (4) service brand and customers have many touch points, which cause the problem of unstable service quality. Such condition can be improve through establishing the “pleasing customers” culture, better training and more extensive internal communication; (5) successful service brand is made through maintaining relationship and employees and customers’ respect to specific function and emotional value; (6) from the practice side, service brand lacks of emotional connection with customers comparing to product brand, as the discernibility is insufficient.

However, some scholars think that service brand is similar with tangible product brand, and the differences between service industry and manufacturing industry insert no influence to the effectiveness of traditional brand equity theory, and the principles of service branding and the branding of tangible products are basically the same. Kim et al. (2008), for example, think that service brand equity has the same model with that of product brand, which has four dimensions, namely the brand recognition, perceived quality, brand image and brand loyalty.

Service brand represents the image of the whole company rather than certain single service product. It is a personalized brand mark of the company, and a brand which is recognized by the society and customers. An excellent service brand functions to display service connotation, quality and value, which means that by providing quality service, a company spreads certain information to customers through service brand. A discernible company service is beneficial for the company to set company image in the market. Therefore, service brand and product brand have the following differences:

(1) Different brand elements. As service features intangibility, difference, inseparability and perishability, employees, service environment and atmosphere are all the components of service brand; there are more communication touch points between service brand and customer. Beside advertisement and promotion, service environment, employee images and service facilities all play the role as the brand touch points; consumers’ perception and evaluation are also different from that of product brand. The intangibility of service disables customers to make comments before buying the service; how could these features influence consumers and how does the effect extend are difficult to be observed. Therefore, service brand covers far more and more complicated brand elements than product brand.

(2) Different brand communication. Service brand has more communication contact points with customers when compared to product brand. Apart from basic marketing activities such as advertisement and promotion, the tangible display of service environment, employee images and service facilities all play the role as the brand contact points. This is a problem faced by many service companies as how to ensure the consistency of service brand communication. Meanwhile, because of the intangibility and heterogeneity of service, consumers are not able to perceive and evaluate service quality before buying the service. As a result, service brand communication becomes a kind of brand promise, which would affect customers' expectations on the service: if service brand promise differs from the actual service perceived by customers, dissatisfaction will arise. In other words, excessive brand communication will only enhance customers' expectations. However, when the company cannot provide consistent service, customers will feel discontented. On the contrary, if service brand communication is ignored, the brand recognition and brand image cannot be promoted. Therefore, it is more complicated to undertake effective service brand communication.

(3) Consumers' brand awareness and consistency. The awareness and evaluation of product brand go through stages before buying, the process of buying and using, and after buying, while the intangibility of service makes it hard for consumers to evaluate the service before buying it. Customers' awareness of service quality mainly comes from the process and result of service reception. Employees' attitude and behaviors, customers' emotion, service environment and atmosphere would all affect customers' experience during the service consumption, so as to affect the awareness and evaluation of service brand. Service experience management is the key to distinguish service brand from product brand.

(4) Different organizing methods of brand management. Service brand should implement the service brand strategies under unified management of the company: coordinating marketing department, human resources management department and other departments implement the overall brand strategies together under the management of high-level managers. Different from it, product brand is usually managed by brand manager. In addition, production brand management mainly manages the basic marketing activities of the product while service brand management further puts emphasis on employee management and building of consumer-guided corporate culture and brand value. It is also responsible for hiring

employees, who agree with the brand value, or training them with brand value, and encouraging them to use consistent behaviors of the brand value. Only by doing so, can the company ensure employees' acknowledgement of the service brand.

To make it simple, comparing with tangible brand, service brand building pays more attention to service process and service quality perceived by consumers and company brand image awareness produced in the process. As service is intangible, company brand plays the imperative role in service brand building. Service brand must value service quality perceived by consumers, the characteristics of service process and service interaction's impact on customer value. All of these determine that a company must improve the service quality management, so as to form benign perceived value of customers, and it is ultimately conducive to build service brand.

2.1.6 Theoretical Models of Service Brand

According to Berry & Lampo (2004) service brand influencing factors mainly include:

(1) Tangible display of service and service scene. Service scene design can influence consumers' choice, expectation, satisfaction and other behaviors. For instance, consumers will be affected by the odor, decoration, music and shop layout;

(2) Service quality. The high quality of service itself, which is represented by brand, is the prerequisite and foundation of high quality shown by the brand. An enterprise must make the expected quality under a brand consistent with its actual quality;

(3) Price signal. As the service quality perceived by customers cannot be quantified, certain risks exist in buying the service, and the price is usually an important service quality signal.

(4) Performance of service personnel. The production and consumption of service happen at the same time. Therefore, most customers would have direct or indirect interactions with service personnel. The performance and image of service personnel have direct influence in customers' awareness of service quality as well as the service brand equity.

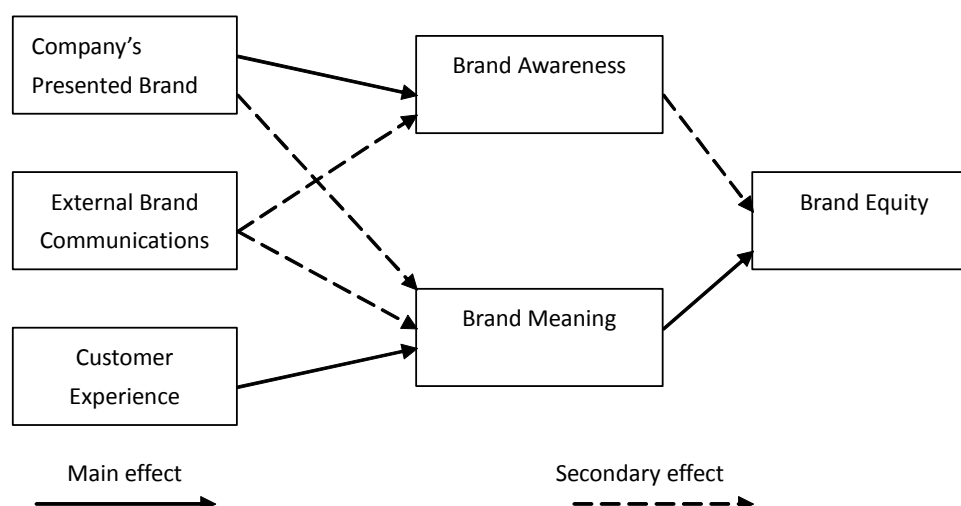
As there are many factors that affect service brand, and the interaction mechanism among these factors is very complicated, Western scholars have propose different theoretical

models in terms of how to build service brand, as for example:

(1) Service brand equity model (Berry, 2000)

Based on research conducted in fourteen high performance service companies, Berry (2000) proposes the service brand model as per Figure 2-1 below:

Figure 2-1 Service Brand Equity Model (Berry, 2000)



Source: Berry, L. L. Cultivating Service Brand Equity, Journal of the Academy of Marketing Science, 2000, 28 (1), pp. 130.

Service brand equity scale consists of six elements: the presented brand, the external brand communication, customer experience, brand awareness, brand meaning, and brand equity.

(1) The presented brand, which is also called brand recognition, is shown by a company through advertisement, service facility and service provider. When the company effectively presents its brand, the brand awareness will be built.

(2) External brand communication. The most important external brand communication is for customers to collect relative information of a company, especially the service, word of mouth and public transmission which are out of the company's control.

(3) Customer experience is the responding and personal feelings of customers to some stimulation. It is the outcome of interaction, which is caused by direct personal observation or involvement, between certain event and personal psychology state. Customer experience is

customers' perceiving of service quality. It is an objective psychological requirement, which could lead to customer satisfaction and customer loyalty of service brand.

(4) Brand awareness, also called acknowledgement. When a clue is given to customers, they can recall and distinguish the brand.

(5) Brand meaning. Customers' main perception of a brand is the brand and brand association of customers. In other words, when McDonald's is mentioned, customers' ideas are immediately involved.

(6) Brand equity reflects customers' responses to brand awareness and brand meaning (Keller, 1993). Brand equity consists of brand awareness and brand meaning. Excellent brand awareness and brand meaning should be built, so as to breed service brand equity. However, the focus is on brand meaning, for its connotation is deeper than the former, and it can provide more customer value. Service companies can affect the awareness and brand meaning from three channels: present brand, external brand communication and customer experience, so as to form brand equity.

Brand awareness, brand definition, customer experience, external brand communication, the presented brand and brand equity can produce direct or indirect effect. Brand meaning would directly affect brand equity, while customer experience is the key factor that affects brand meaning. In addition, external brand communication and the presented brand would also affect brand meaning. Brand awareness is mainly affected directly by the presented brand and additionally by external brand communication. Service brand equity model is different from common packed product brand model in the point where the former values more service, and the key of building service brand is the service performance of service personnel rather than specific product; as for the latter, customers' actual experience will only affect their understanding of brand meaning and equity of product, instead of service. Service brand is built on the basis of providing excellent service for customers. Plus service brand equity brings marketing advantages for the company through providing value to customers; while minus service brand equity gives customers negative value, which would weaken the service brand, and bring marketing disadvantages to the company.

Based on the above model, Berry (2000) proposes four strategic viewpoints to build

service brand equity. (1) Differentiation - when a service company, which owns extraordinary brand, displays its brand, it always pursues something different and something innovative, so as to satisfy customers by brand-new brand characteristics. (2) Company credit promotion - it is insufficient by merely distinguishing its service from that of competitors. On one hand, excellent-service-owned service company focuses on promoting itself; on the other hand, it promotes company credit by word of mouth. (3) Building of emotional connection - the real power of brand comes from customers' emotional input, which is the power that goes beyond emotion, and can form customer intimacy and reliance. (4) Internalization of brand. The service process, which is completed by employees, is an imperative for benign customer experience formulation. Therefore, internal promotion must be taken into good consideration in a bid to make employees accept and enjoy the brand.

The above model basically grounds on the results of research conducted in fourteen mature service companies with excellent operation performance. Therefore, it is only the estimation and prediction of customers' perception on service brand from the angle of service operators (or the company managers or employees), making it somehow distant away from service brand research on the standing of customers in full sense. In addition, no empirical research has been conducted to verify this model, so the credibility and validity is still to be verified. However, the model lays a good foundation for service brand equity research. Inspiration: interviews with external customers can be added in future study; empirical verification can be conducted for this model. The research method of case study or other methods can be adopted, and credibility and validity indexes are required.

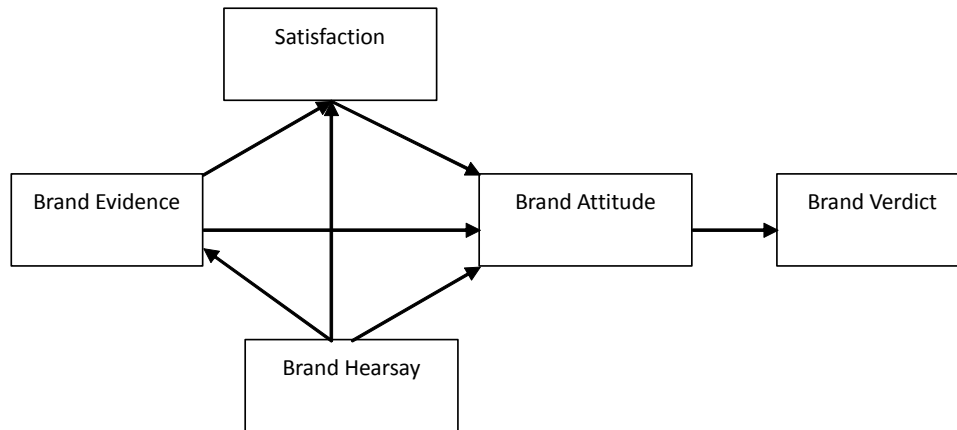
(2) Model of customers' choice in service brand (Grace and O'cass, 2005)

According to Keller's (1998) customer brand equity model, de Chernatony and Riley's (1999) brand double helix model, and Berry's (2000) service brand equity model, the model of customers' choice in service brand is formulated as per Figure 2-2 below:

The model assumes that service brand equity includes two dimensions, namely the brand evidence and service brand attitude, and the latter directly affects brand choice. Both service brand evidence and brand hearsay affect customers' satisfaction and the service brand attitude. Meanwhile, brand hearsay has certain influence in brand evidence. Brand attitude, which is

positive or negative response of customers to brands, mainly stems from customers' perception and satisfaction of brand. Brand choice means the ultimate decision made by and behavioral response of customers to the brand. Brand attitude directly affects customers' choice in service brand.

Figure 2-2 Model of Customers' Choice in Service Brand (Grace and O'cass, 2005)



Source: Grace, Debra, and O'Cass, Aron, 2005, 'Service branding: consumer verdicts on service brands', *Journal of Retailing & Consumer Services*, (2), pp: 125-139

The author proposes the assumption model based on qualitative research (literature review and customers interviews). By interviewing customers in storefront, the author has collected data of brand evidence, brand hearsay, brand attitude and brand purchasing willingness of bank brands or retail brands to conduct quantitative research and verify the model. Comparing to service brand equity model, it is more scientific in terms of research method. However, empirical research of customers reveals that word of mouth, public relations and unpredictable communication have little effect on choice of service brand. In addition, the investigated service brands involve a small number of industries. The author only chooses four national bank brands and six famous retail brands of Australia for interviewees to choose personal experienced one from, and fill the questionnaire. However, it could lead to certain limited applicability of this model. Therefore, the universality of the model in different service industries needs further verification.

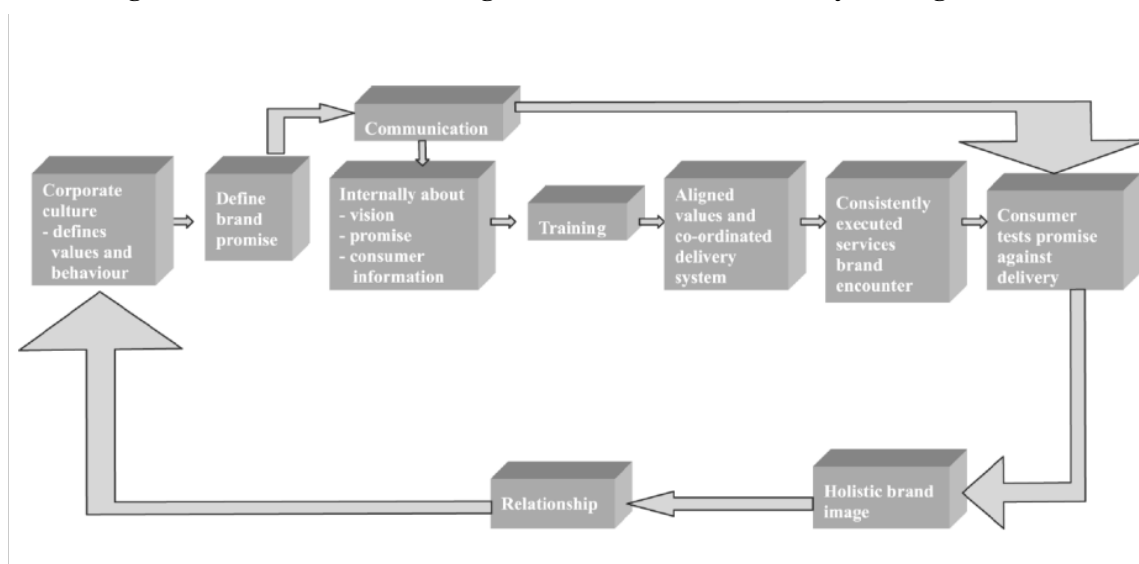
Inspirations: previous research mainly focuses on western objectives, such as the bank

brands and retail brands. Since Chinese and Western cultures are very different, further research is required to see whether such Western service brand theories can be applied or not in the Chinese context. Moreover, previous research does not provide experience evidence related to home furnishing malls, and the universality of the model in different industries needs more experience evidence for verification.

(3) Service brand management model (de Chernatony & Segal-Horn, 2003)

British scholars de Chernatony and Segal-Horn (2003) thought that the external customer communication of brand, internal employee management, interaction process between employees and customers, corporate culture and brand value are the driving factors for service brand to be successful.

Figure 2-3 Service Brand Management Model (de Chernatony & Segal-Horn, 2003)



Source: de Chernatony, Leslie, and Segal-Horn, Susan, 2003, 'The criteria for successful services brands', European Journal of Marketing, (7/8), pp: 1095-1118.

This theory is proposed on the basis of literature review of qualitative in-depth interviews of 28 senior consultants. However, it is not verified by service companies' practice. As the interviewees are not company managers, employees or customers, the external customer communication, internal employee management, interaction between employees and customers, relative relationship and other questions still need further exploration and discussion. In addition, the service brand management model (de Chernatony & Segal-Horn, 2003) does not analyze companies' motives for building service brand.

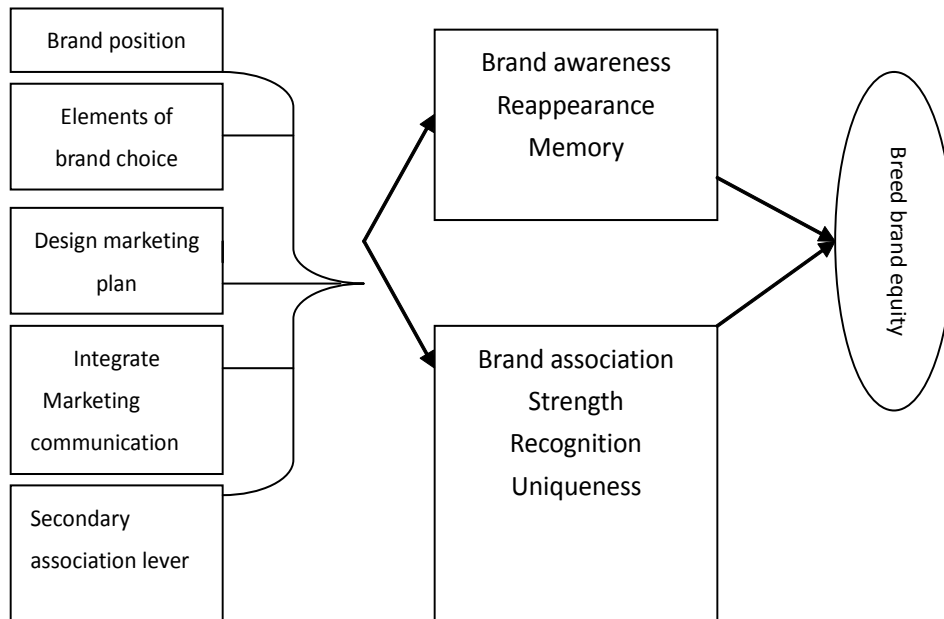
Inspiration: in terms of research method, future research can be conducted from angles of internal managers and employees of companies. In addition, interviews and investigations can also be taken for external customers, so as to improve the effectiveness of the research conclusion.

(4) Keller's (1998) brand equity breeding model

The brand equity model that Keller proposes focuses on customers. The brand knowledge in customers' mind is the key for brand equity building. Brand equity is expressed by connecting brand awareness and the related brands of different strength. Brand awareness, which is the necessary but insufficient condition of brand equity, includes brand reappearance and brand memory. The strength, recognition, uniqueness of brand association would respond to differences that form brand equity, and would especially to those high-participated and strong-motivated purchasing decisions. Keller suggests to build customer brand knowledge structure from the angle of internal company. Firstly, posit the brand. Then, the company should use specific strategies to support the brand position, including choosing brand elements, design marketing plan, integrate marketing communication, establish secondary association lever, and finally reach the goal of building brand equity.

The fact that external communication is part of service management model (de Chernatony & Segal-Horn, 2003) is extensive to brands of all industries. It provides some suggestions of strategies and tactics for companies to build ordinary brands. The shortcoming is that the driving forces of brand equity only include the knowledge structure of brand in customers' mind, while customers' attitudes and behaviors towards brand, such as brand loyalty, which is based on customer satisfaction, should also be included. Moreover, this model does not distinguish service brand from product brand.

Figure 2-4 Brand Equity Breeding Model of Keller



Source: Keller, Kevin Kane (2009), *Strategic Brand Management*, trans, Lu Taihong, Wu Shuilong, Beijing, China Renmin University Press, 77-88.

2.2 Stakeholder Theory and Service Brand Building

In a recent article, Porter and Kramer (2011) suggest that through measures of recomposing product and market, redefining the productivity of value chain, and promoting local industrial clusters (Porter & Kramer, 2011), the company can not only create shared value but also build a strong service brand, and form virtuous circles and interactions with social stakeholders, so as to ensure sustainable and sound development of the company and the social economy.

The stakeholder theory originates from Western countries in 1960s. It is developed on the basis of skepticism on the traditional theory of “Shareholders Primacy”. Stakeholder theory mainly solves two questions: first, who on earth are the stakeholders of the company? Second, why the company should consider about benefits of stakeholders? These questions will be discussed below.

2.2.1 Definition of Stakeholder

To date, people have not reached consensus on the definition of stakeholder. Its definition can be discussed from broad sense and narrow sense.

(1) Definition from a broad sense. Company stakeholders are those individuals or group of people who can affect or be affected by the realization of company goals. Stockholder, creditors, employees, providers, consumers, government departments, relative social organizations, social groups and surrounding social members are all classified in it (Freeman & Evan, 1990).

(2) Definition from a narrow sense. Company stakeholders are people who have put physical capital, human capital, financial capital or something valuable into a company, and have therefore assumed certain form of risks, or say, they bear risks for company's activities (Clarkson, 1995). This definition excludes government department, social organizations and social groups, and social members.

This research regards stakeholder as individuals or group of people who have made some specific investment in a company, and thereupon take certain risks. Their activities can affect or be affected by the realization of company goals.

2.2.2 Classification of Stakeholder

Researchers have proposed different methods of classification according to the definition of stakeholders.

(1) According to the nature of relationship between stakeholders and company contract, Charkham (1992) classifies stakeholders into two kinds, namely the Contractual Stakeholders and the Community Stakeholders. The former includes stockholder, employee, customer, distributor, supplier and accommodator; the latter includes all consumers, supervisor, government department, pressure group, media and local community (Charkham, 1992).

(2) Based on the way stakeholder groups take risks in company operation activities, Clarkson (1995) classifies stakeholders into active stakeholders and passive stakeholders. The former are those individuals and group of people who input specific human capital rather than non-human capital for a company, and consequently take certain type of risks with the

company. It includes stockholder, investor, employee, customer and supplier; the latter are individuals and group of people who are put in dangerous position because of company behaviors, such as community, government and media. According to the closeness of relationship between stakeholders and company, he further classifies stakeholders into Primary Stakeholders and Second Stakeholders. The former indicate individuals and group of people, without the continuous participation of whom, the company can not maintain operation. These people include stockholder, investor, employee, customer and supplier; the latter are individuals and group of people who indirectly affect or are affected by company operation. However, they do not transact with the company, or function fundamentally to the existence of the company. These people include environmentalists, media, scholars and many specific interest groups (Clarkson, 1995).

(3) Carroll (1996) proposes two methods of classification of stakeholders. The first method is based on the formality of relationship between stakeholders and the company, and stakeholders are divided into direct stakeholders and indirect stakeholders. The former are individuals or group of people who have the right to directly claim the rights which are acknowledged by contract or other law; the latter are beneficial groups based on non-official relationship with the company, and they have secondary effect on the company. This method of classification clarifies that priority should be given to the former when conflicts happen between direct stakeholders and indirect stakeholders. The second method classifies stakeholders into core benefit stakeholders, strategic stakeholders and environmental benefits stakeholders. Core benefit stakeholders are vital to the existence of the company; strategic stakeholders are individuals and group of people who are important only when the company is facing with certain threats or opportunities; while environmental benefits stakeholders summarize the external environment of company existence. Carroll's classification is simple and objective, and is accepted by many people.

(4) Mitchell and Wood (1997) start from the necessary nature of stakeholders, and grade possible stakeholders. According to the point value, he tells whether an individual or a group of people is a stakeholder of the company or not, and if is, which type does the stakeholder belong to. He thinks that there might be three natures of stakeholders of a company, namely the legitimacy, power and urgency. According to specific condition of a company, he grades

the company based on the above three natures, and classifies stakeholders into three kinds: latent stakeholders, expectant stakeholders and definitive stakeholders. The latent stakeholders only own one of the three natures, expectant stakeholders own two, and definitive stakeholders own all three natures (Mitchell & Wood, 1997). This grading method greatly improves the operability of defining stakeholders, and the point value of grading quantifies the nuances classifying result of stakeholders. It makes break through in defining stakeholders, greatly pushes forward the application and dissemination of stakeholders theory, and has gradually become the most common way of defining and classifying stakeholders.

(5) Wheeler and Maria (1998) introduce the social dimension. By combining the difference of closeness between stakeholders and company, they classify stakeholders into four types: first class social stakeholders, second class social stakeholders, first class non-social stakeholders and second class non-social stakeholders. The first class social stakeholders are directly related to the company, and there is human participation. It mainly includes the customers, investors, employees, suppliers and other commercial partners; the second class social stakeholders form indirect relationship with the company through social activities. It mainly includes residents, relative companies and other interest groups; the first class non-social stakeholders are stakeholders who have direct effect on the company, but do not have human involvement, such as the natural environment and human successors; the second class non-social stakeholders are stakeholders who have indirect effect on the company, but also do not have human involvement, such as non-human species (Wheeler & Maria, 1998).

2.2.3 Theoretical Basis of Stakeholder Theory

Present researches mainly discuss and argue reasons of stakeholders' participation in company management from the following aspects.

(1) Asset specificity and resource reliance theory (Williamson, 1985). Under this theory, stakeholders, who are key source providers, think that the contribution of company capital does not only come from stockholder, but also from employees, suppliers, creditors and clients. These subjects provide a kind of special human capital instead of material capital for the company. Since they have provided special investment for the company, it is natural for

them to enjoy the residual rights of control and residual claimant right, which is, in other words, ownership of the company (Blair & Lynn, 1999).

(2) Contractual Theory. Under this theory, the nature of company is “a nexus of contracts” (Coase, 1937). The company can be understood as a nexus of multilateral contracts among all stakeholders (Freeman & Evan, 1990). The subjects of this nexus of contracts also include managers, employees, owners, suppliers, clients, communities and various participants. Every participant of the contract has actually provided personal resource for the company. In order to maintain fairness and justice of the contract, every party of the contract should have the right of equal negotiation, so as to ensure that the interests of all parties are taken good care of. The reason for it is because that contractual theory essentially asks for due “care” for different stakeholders.

(3) Property right theory (Alchian & Demsetz, 1972). Under this theory, it is not complete to describe property right on the basis of only one “individual judgment” theory. When discussing complicated questions such as the rights and obligations of a company, a diversified “individual judgment” property right theory should be established. Starting from this logic, the stakeholder theory naturally proposes that if a diversified property right theory can be accepted, the relationship between property right theory and stakeholder theory is more than obvious (Donaldson & Preston, 1995).

2.2.4 Brief Comments on the Stakeholder Theory

The main difference between Stakeholder Theory and the traditional Shareholder Primacy Theory is the following: the former emphasizes that company should consider the interests of not only stockholders, but also other stakeholders. The stakeholder theory closely links to research in company’s social responsibility, and is further developed and perfected by company management research. It has generated profound influence in both company social responsibility and company management. Porter and Kramer (2011) further develop the stakeholder theory by proposing the shared value theory. They think that company’s competitiveness is closely connected with the sustainable development of community, for the community is not only the source of product demand, but also provides crucial resources and operation environment. By using new technologies, operation and management methods,

company can improve the productivity, reduce the cost and resolve social problems. Under the share value theory, company should make a larger cake of the whole economy and social value rather than “share” the produced value.

The stakeholder theory benefits company and stakeholders for long-term cooperation, and allows companies to win more strategic resources, so as to ensure its sustainable development. Meanwhile, it reduces chances of opportunism motivation for stakeholders to transact with the company, as well as transaction fees. There is no unified understanding of the connotation and extension of stakeholder theory and it is difficult to determine the way and the degree of stakeholders’ participation. Besides, it is hard to coordinate the interests among different stakeholders. However, the stakeholder theory, which deems company as a “social existence”, puts emphasis on the balance of interests among diversified stakeholders. Therefore, the stakeholder theory is still of paramount importance to company’s operational strategy. When a company implements service brand strategy and builds a service brand, it must have the stakeholder theory involved.

2.3 Chinese Literary Review

Service brand research begins in the Western countries, and Western scholars are far ahead of Chinese scholars in the depth and breadth of service brand research. However in recent years, domestic scholars have conducted follow-up research of western service brand theories. From the side of research method, relative research in China has gradually developed from qualitative description to precise scientific research. Therefore, some progresses in service brand research have been made in China as it will be summarized below.

2.3.1 Qualitative Studies

Many Chinese scholars have conducted preliminary research in relative questions on service brand. For instance, Dong et al. (2009) think that the brand sensitiveness reflects the importance attached by consumers to brand in their purchasing decision. Consumers have relatively high brand sensitiveness because that service quality is difficult to be controlled, service effect cannot be predicted, information is asymmetric when consumers buy service

brand and the switching cost is high. The brand sensitiveness affects consumers' choice of brands through brand awareness and brand association. The brand awareness is mainly determined by consumer characteristics, service quality and service involvement degree of consumers, while brand association is mainly decided by consumers' price sensitiveness, brand consumption behaviors of reference group, perceived value and degree of involvement. However, they do not verify these propositions.

Han (2007b) borrows the Western product strategy and brand management principles to analyze difficulties of building service brand, and thinks that the difficulties rest on building service brand, quality control of service brand and high requirements for spreading service brand effect. She then proposes to posit service brand under the guidance of consumer value, build service brand from the strategic management level of the company, decide service brand from the angle of consumers and build service brand from both within and outside of the company. She insists on innovation of service concept and honor of promise, using extended strategy of service cautiously, constantly deepening the long-term relationship of trust between service brand and consumers, and sticking to the principles of service brand differentiation. Meanwhile, she proposes to plan brand from customers' angles, build a complete recognition system of service companies. She puts forward the idea of confirming the relationship between service brand customers, service brand recognition, service brand responsibilities and organizational operation. In her opinion, an all-around marketing plan and implementation of brand integration is needed. Brand loyalty should be built, and assessment system of service brand equity should be established. Constant investment should be made in service brand, and proper strategic readjustment of service brand and specific method of service brand building should be undertaken. The contact between consumers and service brand include the use of products, terminal layout, advertisement, leaflet, distributor meeting, sponsoring of activities, reporter interview, phone complaint, exhibition, display place narrator and employee family members. The all-round service brand management includes product or service development, advertisement, retail promotion, telemarketing, loyalty marketing, direct marketing, internal communication, network, public relation, distributor communication and packing discernibility of service brand (Han,2007a) This research

proposes some thinking of service brand building founded on the western product strategy and brand management principles. However, empirical research has also not been done.

Zhao(2004) thinks that service brand, which is the name and symbol of a company, has asset value and competition value. To the question of a few famous service brands in China, the author proposes some suggestions: create the atmosphere of quality service and featured service through service marketing and breed famous national service brand. These suggestions also include building service brand competition awareness under the guidance of service marketing concept; establishing and perfecting strict quality management system, improving customer-centered service and trying hard to enhance the overall product quality, so as to lay foundations for companies to implement service brand strategy; constantly carrying out innovation of marketing, technology, service and management, so as to better satisfy consumption demand and maintain vitality of the service brand; segmenting the market, choosing target market properly and positioning service brand accurately; planning personalized service brand design; expanding service brand effect, spreading the brand properly and promoting the recognition and reputation of the service brand; maintaining integrity and ensuring credit; setting incentive mechanism and evaluation system, strengthening employee training and improving the quality of employees; relying on legal method to register brand and trademark and renew them in time, perfecting brand management system, and safeguarding the legitimate rights of consumers.

As service employees, who play the key role in service brand building, can turn the intangible service brand to tangible one, they can enhance customers' recognition of the service quality and satisfaction. Therefore, service enterprise should take the following employee management strategies: hire people by the principle of attitude first and skills second; respect employees; train employees and improve service quality; full empowerment; provide systematic support by colleagues and higher level employee; retain the best staff (Shi and Yang, 2006).

2.3.2 Study on Industry Service Brand

Many practitioners of the industry in China raise some ideas of the status quo of service

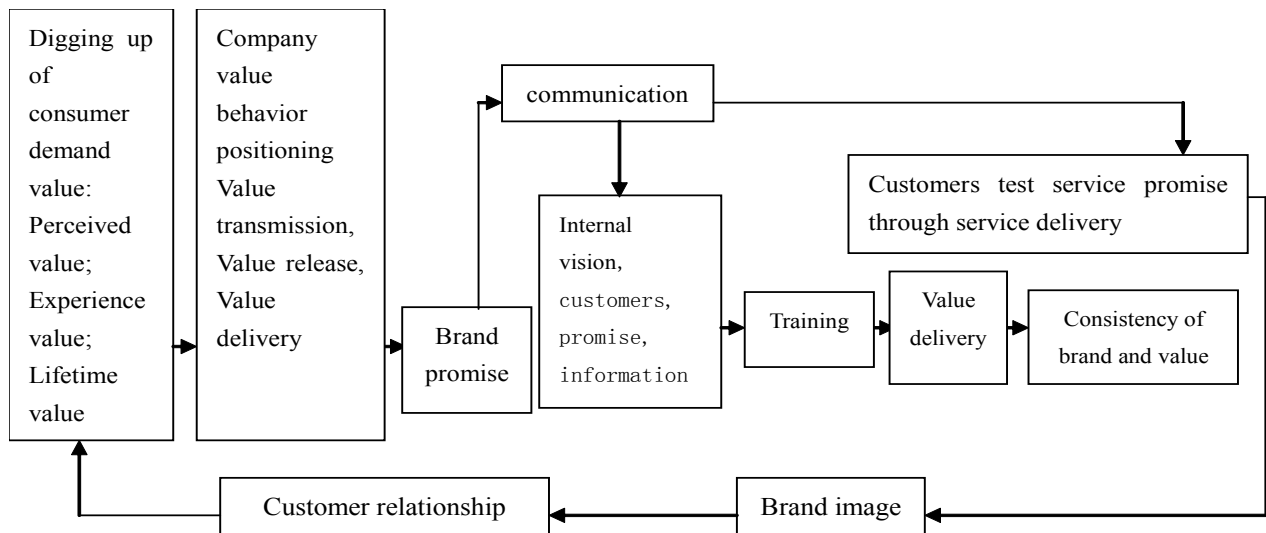
in the industry by referencing brand management principles of marketing. For example, Yang and Tang (2009) think that public libraries should build service brand by seizing the service concept, increasing input, insisting on details, package brand and promoting communication. Only by doing so can public libraries attract more readers to go to the library and enjoy relative service. However, these practitioners do not strictly define service brand. For example, some library working staffs think that service brand is an intangible product, a process, a behavior and a dynamic activity shown in direct or indirect contact between working staffs and readers and the total of service (including books borrowing, literature retrieval, consultation, readers training and reader activities) provided by library working staffs.

2.3.3 Study on the Building of Service Brand

Han (2007a) proposes service brand building model based on the regular pattern of consumer value demand. Under this model, the building of service brand should begin with digging up the consumer value demand, which is the starting point of all service products designs. Consumer value demand includes perceived value, experience value and lifetime value. The perceived value is the difference between customer perceived cost and profit. It is affected by service consumption experience, consumption preference and consumption expectation; experience value is customers' evaluation on service quality in the process of receiving the service. The evaluation determines the quality of service process; lifetime value is the assessment of customers on future profits brought by the service. Service companies can work on value transmission, value release and value delivery in accordance with the value demand of customers. Value transmission means that a company transmits its service brand to target customers through proper channels; value release is for a company to actually release product value to target customers during the service process; and value delivery means that a company displays value elements to target customers in the process of service. Service brand promise is an offer of service quality from a service company to target customers and an important proof for customers to evaluate service quality. It determines the perceived quality of service brand. Communication on visionary effect, brand promise and customer expected information is the delivery of service brand promise to target customers. Service training is the key to safeguard the quality of personnel transfer. In the process of value delivery, service

companies must combine both service delivery and brand positioning. High-quality value delivery is the support of brand building, and the lifting of brand can in return enhance customers' perceived quality of service. The process of brand building is a process for customers to constantly test the company value promise and value delivery. The result of evaluation forms customers' visual perception of the service brand, and the quality of which has effect on both further building of customer relationship and the perceived quality of service brand. In the process of building service brand, the more abundant is the delivery of service value, the higher is the perceived quality of service brand.

Figure 2-5 Service Brand Building Model Based on Customer Value



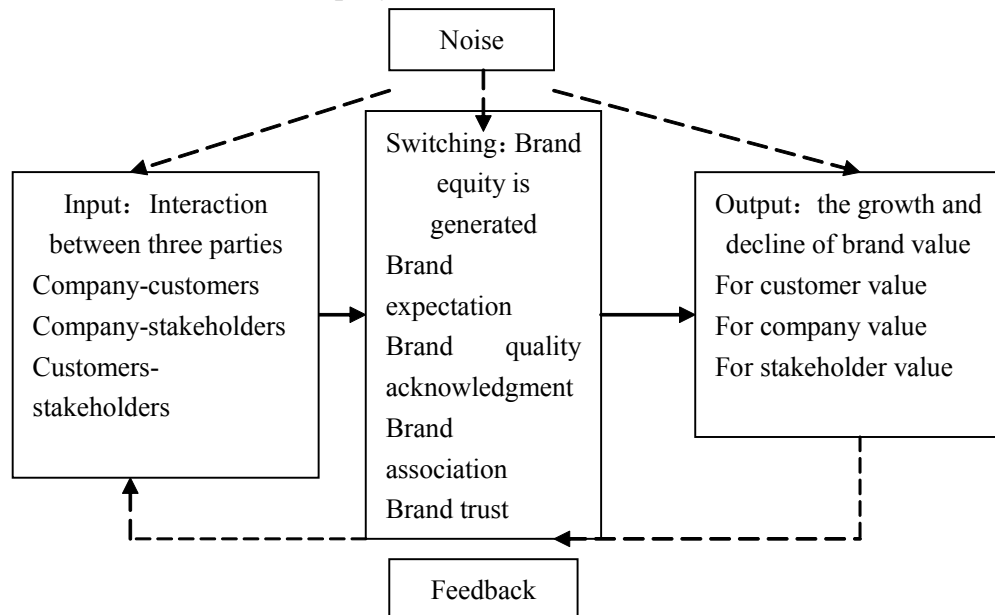
Source: Han Mei, *Research in Service Brand Building under Guidance of Customer Value*, Journal of Central University of Finance and Economics, 2007 (10), 84-90.

This model expands the service brand management model (de Chernatony and Segal-Horn, 2003). It does not discuss the relation customer value demand and corporate culture, and actual experience evidence is lacked.

Wei, Yao and Liang (2010) deem the producing process of service brand equity as a dynamic and open system that places the company, its customers and stakeholders as the input of each other. Then, through certain switching mechanism, brand equity is generated and outputted dynamically to the company, customers and stakeholder. Firstly, in the whole

process of service production and consumption, there are various kinds of direct or indirect interactions between company, customers and stakeholders. Through a series of policies and actions, service organizations build a strong brand relation network between the above three parties and affect interactions between them, making them turn from the status of disorder and scatter to order and persistence, and increase the strength and frequency of interaction. Secondly, through interaction, customers and other stakeholders absorb all information related to the brand and constantly accumulate brand knowledge. As a result, brand equity is generated. Thirdly, the system outputs brand value through behaviors of the three parties. Brand value in broad sense includes the brand value to customers, service company and stakeholders, and the three parties are linked closely. Finally, brand value changes ceaselessly with both internal and external environment, and reacts in interactions between the three parties. The input, switching and output of the whole system form a circulatory and dynamic closed cycle. See figure 2-6.

**Figure 2-6 Service Brand Equity Model Based on Interaction of Three Parties:
Company-Customer-Stakeholder**



Source: Wei Haiying, Yao Zuowei, Liao Yanming, *Service brand equity model based on interaction company-customer-stakeholder: an analysis frame*, Journal of Jinan University (Philosophy and social science edition), 2010 (1), 79-83.

This research provides a frame of thinking. However, empirical research has not been conducted, and the conditions for self-organization of interactions has not been discussed;

type of noise and restriction methods; the internal cause and effect relationship of three-party brand value; the function mechanism of feedback of brand value growth and decline.

Gen (2008) thinks that service brand is a kind of integration, which integrates the whole process that creates value for customer. Service brand focuses on the whole. It mobilizes the company to provide excellent and unique brand value. He distinguishes service brand from product brand, and proposes a breeding model of service brand. Under the model, a company should firstly create unique brand culture and brand personality. Brand culture is the core value of brand and the value which is established by company and customers, while brand personality is the concentrated reflection of brand culture and the origin of differences among competing brands; secondly, the company should determine service quality management which is under the guidance of brand culture. Because of the intangibility, heterogeneity, simultaneous production and consumption, perishability and other features of service, it is impossible for a company to provide completely the same service quality for customers. As a result, it would lead to instability of customer perceived service quality, and further affect the good recognition of service brand. Therefore, quality control is the key for service brand and the work should be started from employees, tangible facilities and service process; thirdly, a service company should build brand image. It is the key to win market competitive edges and success of brand by sending customers a sense of clear and stable brand image. Brand image can be built through brand image planning and brand integration spreading strategies. Finally, a service company needs to consider the long-term development of its brand. When there is few changes in brand operation environment or when the change is not enough to change brand position and image, the key for brand management is to constantly strengthen the original brand image. Meanwhile, however, brand operators should keep alert to environmental changes at any time and respond to changed environment, and this requires companies to possess both abilities of learning and innovation.

2.3.4 Quantitative Studies

In recent years, some Chinese scholars have conducted quantitative studies on service brand based on research methods used by Western scholars in service brand research. For

example, Wei and Liu (2009) investigate 340 customers of four medium and high contact service industries (name travel agency industry, catering or hotel industry, bank and financial service industry and mobile communication industry) by means of questionnaires. They use factor analysis and discuss company-customers interaction factor and employees-customers interaction factor; then, they use the structural equation model to investigate the effect of different interactions on service brand equity. Then, they find that different interactions have different effect on service brand equity: company-customers interaction affect brand image most observably and employees-customers interaction affect brand relationship the most.

In order to see what the effect of interactions is between customers, company and customer contact employees on various constitutional dimensions of brand relationship, Wei et al. (2010) conduct empirical study on 335 employees and 400 customers in bank, catering, mobile communication, and travel agency industries. They find that multiple dimensions are formed among different parties, and different interactions would have different effect on service brand relationship building and maintenance; company-customers interactions affect service brand relationship positively; company-employees interactions positively correlated with company-employees; a service company should focus on the invested and improved interactions in managing brand relationship. As the relationship among customers, company and customer contact employees is very complicated, the research only discusses service brand relationship's influencing factors by exploring classic interactions. As a result, other information of the relationship may not be covered; in addition, the samples are only restricted to Guangzhou, making the research less representative; further research is needed to see whether the conclusion is applicable in low contact service industries and producer service industry, and what is the function of interaction in other industries.

Jiang and Lu (2006) interviewed 256 mobile phone users by method of central location investigation. They confirm the image structure of service brand by adopting the method factor analysis, and explore the effect mechanism of path analysis method on customer value-satisfaction-loyalty. Then, they find that service brand image has two dimensions: function factor and non-function factor. Through the direct effect of non-function factor on perceived quality, perceived value, customer satisfaction and customer loyalty, service brand image creates value for customers and companies, while function factor only affects

perceived quality directly.

2.4 Comments on Previous Studies

2.4.1 Shortcomings of Previous Studies

Domestic and overseas scholars have conducted preliminary researches in service brand theory on the basis of tangible products brand theories, and some progresses have been made. However, there are still some shortcomings in relative literature in service

Most previous studies are restricted in customers or service companies, and ignore the role of other stakeholders in brand equity breeding. As the environment of competition is increasingly complicated and the upstream and downstream of service industry are more and more relevant, there are more parties who would affect service brand building. It is difficult to operate the generative and breeding mechanism of service brand equity completely just from the angle of single party or binary parties of company-customer. Therefore, apart from customers and companies, many other stakeholders (including employees, suppliers, distributors, competitors, government, non-governmental organizations, media or public) should also be counted as the third part for brand equity building (Jones, 2005).

Research findings are relatively not abundant in service industry brand. Brand theories have gone through a relatively long process of development with distinct ideas of various schools and complete system. Studies in brand are mainly concentrated in manufacture industry, while little has been done in service industry brand. Although difference between products and services is fixed theoretically, it does not provide guidance for the building of service company brand. This research points out that as a complete brand concept, product brand and service brand are similar but with different emphasis on brand building.

Some scholars conduct researches in service brand building strategies for specific industries, including in particularly the commercial industry and hotel industry, but researches in some newly emerged industries and types of operations are not enough, especially in furniture industry. In addition, research in the universal service company brand theory beyond specific industry is insufficient. As a result, brand practice of specific industry is not able to

be guided by universal brand theories, making it hard for service companies to seize the common operation course, which goes against the development of service companies.

Research methods used in service brand are defective in China. In particular, most domestic research in service brand adopts the description method of working summaries, which is not rigorous enough. Researches have been conducted from a relatively micro angle, such as the relationship among variables. Though it is academically accepted, it is of less guidance to the actual building of service brand for companies.

Brand research is not evenly viewed from different angles. Both domestic and overseas researches in brand have different angles. However, branding should be perceived and judged ultimately from the angle of different stakeholders. For instance, the common customer angle in consumable industry; channel angle in relationship research; employee angle based on internal integration; stockholder angle based on capital market value and other stakeholder angles. Most of previous researches found on the customer angle, and branding is examined by collecting data of customers' attitude toward the brand. However, researches from the angle of companies are difficult in collecting enough qualitative and quantitative materials for restrictions by company policies, commercial sensitivity and sample size. Therefore, this kind of research is grievously insufficient, which hinders people from exploring and analyzing further in service branding mechanisms, which again further limits the guidance of brand theories for actual work.

2.4.2 Study Opportunity

Fruitful achievements have been made in brand research on previous brand theories. However, research in service brand or brand of service companies is in initial stage, which is lagging behind the requirements of service society of nowadays, and cannot provide proper theoretical guidance for the branding of service companies.

By examining shortcomings of previous studies, following studies can focus on integrated research by combining both internal and external angles. As service is the process of interaction between employees and customers. Therefore, both parties would affect the process and the outcome of service. Research of service brand should be conducted from a

comprehensive and systematic way, unifying the interaction among external customers, internal employees, customers and employees.

Western service brand model is built on the basis of the psychological features of Western customers and the development of service companies. Therefore, further verifications are needed to see whether it suits China's brand management of service companies or not. It is one of the important trends to develop a service brand model on the basis of the psychological features of Chinese customers and the development of service companies in China.

Service brand research needs desperately the brand research evidences from different service industries. Due to differences (such as the degree of customer involvement, purchasing risks and purchasing frequencies) among different service industries, it is challenging to build a universal service brand model. At present, most service researches focus on industries of hotels, catering, banks, insurance and travel. Thus, brand model for other types of service industry is the trend of future research, such as brand model of furniture industry.

In the limited research available at present, experiential summaries outnumber empirical research. Most theorists and practitioners study service industries from the angle of experience. They discuss specific operation and management from a qualitative angle. In terms of branding of furniture industry, even less research has been conducted, which also explores the question from experimental angle. Analysis from both angles of theories and solid evidence is seldom seen.

Previous study on branding of tangible products mainly emphasizes on marketing strategies' influence on customer psychology, and in which way, customers are inspired with purchasing intention and action. However, the internal relationship between service quality and service value is not discussed profoundly. From the characteristics of service industry (including furniture industry), the development of customers' brand preference and loyalty are more related to service quality perceived by customers.

By examining blanks and shortcomings of previous research, this research tries to explore key factors that influence service brand building of furniture industry by combining both internal and external angles and on the basis of stakeholder theory. Theories and solid

evidence are combined to explore the functional mechanism of these factors in service brand building of furniture industry. Then, the author proposes the process of service brand building and guarantee mechanism for home furnishing malls by applying the achievements of theoretical research. The author also gives some suggestions as how to manage service brand building for home furnishing malls.

2.5 Theoretical Framework

With a coming time of service-dominant economy, people are concerned more and more about service brand construction. Normally, people simply transplanted product brand theories into construction of service brands, neglecting the uniqueness of service brand building which is likely a reason for lack of famous service brands (de Chernatony, Cottam, & Segal-Horn, 2006). There are many places for service brand construction differing from the product one. For example, factors such as the intangibility of service, the heterogeneity of service quality, and highly frequent contacts between customers and service brands should be paid serious attention to and considered when service enterprises set strategies for service brands. For product brand building, marketing department is the core because they are responsible for brand's external communications; however, it does not have great effects on brand's personality and position for services. Staff serving customers together with assistants is important for service brand perceived by customers; in other words, it is very important on managing the staff, that is, human resources are the key. A construction process of service brand construction needs a corresponding adjustment of organizational structure. A traditional hierarchical organizational structure is difficult to be applied to service brand construction. Enterprises may use an inverted pyramid organizational structure or a flat one with serious attention paid to roles of bottom-level staffs and an involvement of all staffs.

Theoretically, two approaches for case study of service brand construction are generally adopted: one is to obtain results by summarizing case studies of enterprises, not first being limited to any theoretical framework, and also to analyze results, describe key elements driving successful case enterprises succeeding, and get an initial theoretical model by summarizing these factors. The other is to first put forward a theoretical framework, or the

one that has been mentioned in previous literatures, and also to use this framework as in instruction for case studies. Through an investigation of case enterprises, the original theoretical framework is tested and modified, and a final instructive theory and results obtained. This research uses the latter one: first establish an initial theoretical framework through a literature review and a preliminary case study of enterprises, a guide for our case studies; then, take an investigation of case enterprises, compare and test the original framework, and modify it, and eventually obtain a corresponding result by supplementing or amending theoretical framework through a more detailed case studies. To be detailed, this work will make an initial theoretical analysis in key factors affecting home furnishing mall of commercial tenant type service brand, a construction process and guarantee system for home furnishing mall of commercial tenant type service brand.

2.5.1 Key Factors for Service Brand Equity in Home Furnishing Mall

A key reason why brands could bring added-values to enterprises is that it could bring added-values to customers, and these values are embodied on customers' differential reactions between brand and non-brand products which are right a basis on which Keller put forward a full-meaning, customer-based concept of brand equity from a perspective of customers. Keller (1993, 1998, and 2009) thinks that a key reason why brands are valuable to enterprises and distributors is that they are valuable for customers. He defines customer-based brand equity as differential effects between brand marketing responses caused by customers' brand knowledge existing already in their minds. An essence of brand equity is to explain why there have differential effects between brand products or service and non-brand products or service. Brand knowledge is a key to building a brand, and it consists of brand nodes in memory as well as relevant links. Brand knowledge has two parts: brand awareness and images. Service brand equity is a standard measuring a brand building. Therefore, a concept, key elements and evaluation methods for service brand equity of home furnishing malls are important for how to building brands.

(1) Definitions of Service Brand Equity. Products–service is actually a continuum ordered in accordance with a size of tangibility and intangibilities. Branding principles for products and service are basically the same in terms of brand conceptual levels (de

Chernatony & Riley, 1999). The study of this research is based on Keller's (2009) a customer-based concept of brand equity, from a perspective of customers, defining service brand equity as added-values brought to customers by service brands, and an essence of differential effects due to customers' brand marketing responses caused by existing knowledge on service brand equity in their minds. The definition has summarized four characteristics of service brand equity: first, only brand can produce marketing effects, and service brands are able to bring added-values to enterprises; second, the added-values are embodied on customers' differential responses between different service brands; third, a size of service brand equity may change dynamically corresponding to customers' service brand knowledge; in the last, a boost of service brand equity depends on an enhance of enterprises' brand marketing activities.

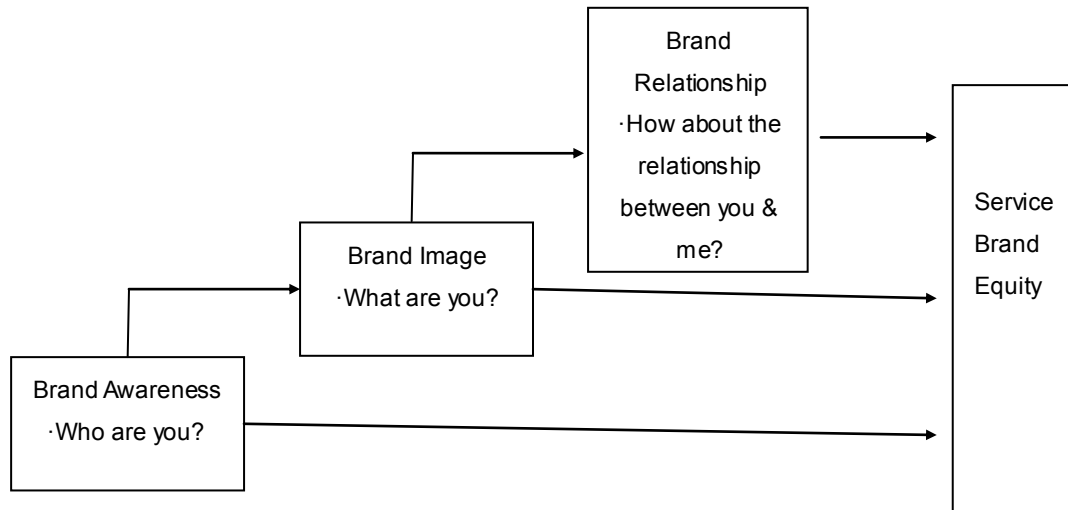
(2) Key Factors for Service Brand Equity. Both academic and industry areas have not yet reach an agreement in terms of service brand equity elements or dimensions. For instance, Keller (1993, 1998, and 2009) and Berry (2000) think that brand awareness and image are two key elements for brand equity; meanwhile, Blackston (1995, 2000) thinks that brand relationship is also a key element for brand equity. Therefore, the author of this research regards brand awareness, brand image and brand relationship as three key elements or dimensions for service brand equity.

Regarding a path for enterprises' enhancing brand equity, Keller (2001) puts forward his customer-based brand equity pyramid model, pointing out for the first time the four steps that enhancing brand equity needs to experience one by one: brand ladder, brand identity, brand meaning, brand response and brand relationship. From this model, this research thinks that brand identity corresponds to brand awareness, brand meaning and brand response correspond to brand image, and brand relationship refers to a relationship between customers and brands. Based on these, this study obtains customer-based service brand equity key element model (figure 2-7).

a) Brand awareness refers to a degree to which customers remember on brand nodes. It comes from a mutual effect by brand reoccurrence and brand recall. Brand awareness is a pre-condition and basis for boosting service brand equity as one of key elements for service

brand equity. It is impossible to boost service brand equity without brand awareness, which is also one of important reasons why it is particularly emphasized by brand strategists.

Figure 2-7 Customer-based Key Element Model, Service Brand Equity



Source: Adapted from: Keller K.L. (2001), Building Customer-Based Brand Equity. Marketing Management 10, 15-19.

b) Consistence of brand image and associative network memory model refers to an intuition on a brand reflected by brand association in customers' memory (Herzog, 1963; Newman, 1975). To be detailed, brand image is a group of association existing in customers' memory which is related to a certain brand, so it can be regarded as customers' perceptual concept on brand. Brand image is also a key element for service brand equity: for a service enterprise, the better is the brand image, the higher the competitiveness and customer minds positioning.

c) Brand relationship refers to a relationship between brands and customers. In terms of enhancing service brand equity, building a good brand relationship is the most critical, and also the last step for service enterprises. Brand relationship is the most critical element for service brand equity. Empirical studies have demonstrated that a good brand relationship has a direct, positive effect on service brand equity (Zhang and Fan, 2005). Besides these, brand relationship is also a pre-element affecting service brand royalty; in detail, the better is the relationship between customers and brands, the higher is the degree of customers' royalty for

service brands.

In general, good brand awareness is a basis for service brand equity, a good brand image is a guarantee for service brand equity, and a good brand relationship is a key for service brand equity. These three critical elements or dimensions works together to improve service brand equity, from a low to top level step from step.

(3) Evaluation Method for Service Brand Equity. Western country researchers have made a large amount studies on brand equity measurement based on customers. Different people put forward different measuring dimensions from different point of view. For example, Aaker (1996) divides brand equity argument into five sides: brand awareness, brand royalty, brand association, and brand perceived quality and other exclusively dominant brand equity. In order to facilitate running the model, Aaker (1996) makes a further detailed division for these five dimensions, and gets ten detailed evaluating indictors: royalty (premium, satisfaction/royalty), brand awareness (brand awareness, leadership/popularity), brand association (value, brand personality, enterprise organizational association), brand popularity, and marketing status (market price and sale region, market share). Aaker emphasizes weights assigned for the five sides of brand equity are not equally in terms of a specific brand. The brand equity concept model is to modularize a composition of brand benefits which is good for brand equity management.

Keller (2009) puts forward his concept on brand equity from a perspective of consumers, and discussed how to evaluate and manage brand equity. Customer-Based on Brand Equity (CBBE) model assumes that brand capability exists in consumers' knowledge, perception and experience about brands, which means that brand capability is a sum of all consumers' experience on brands which exists in their minds with time going on. Keller's model mainly solves two problems: what are the elements composed of a dominant brand and how to build it. The model regards four steps as elements building a dominant brand: build brand identity, create brand meaning, guide response to brand correctly, and establish an appropriate consumer-brand relationship; at the same time, the four steps rely on six dimensions: significance, performance, image, evaluation, perception and resonance.

Yoo and Donthu (2001) build a multi-dimensional customer based-brand equity model

which is short for MBE model according to Aaker's (1991, 1995) consumer-based brand equity concept. Based on evaluations from a survey for consumers with three different cultures (Americans, Korean-Americans and Koreans), three types of products (sport shoes, films and color TV sets) totaling twelve brands, the authors tried to build a multicultural consumer brand equity model. Their studies found that brand equity consists of three dimensions: Brand loyalty, perceived quality, and brand associations. Netemeyer et. Al. (2004) evaluates the core of Customer-Based on Brand Equity (CBBE) and its key parts by using memory, selection and price theories comprehensively through over 1000 times interview for sixteen brands, and more than six product catalogs based on a basis of CBBE theory, and they find four parts in CBBE model have consistence and effectiveness, mainly including Perceived Value, Perceived Value for Cost, Uniqueness and customers' willingness to pay a price premium for a brand.

Chinese researchers extend and expand Western country research outcomes. Qiao (2006) chooses Chinese home electronic industry's main products like refrigerator, washing machine, television, air conditioner as major research objectives, based on inter-brand model combining with economic theory on competitiveness. For the first time, he established a brand strength system, and applied it to Jiang Su Province's market for empirical studies on brand strength of home electronics. This model's indicator evaluation system focuses on market prices of domestic market's home electronics brands in recent years: that is, making a quantitative evaluation on six dimensions: market share, coverage, brand communicating strength, popularity, reputation and trend power. His outcomes coincide significantly with actual status of brands in China with a high level of believability, preparing a solid foundation for other Chinese researchers' empirical studies on various industry brands.

As a summary for above, researchers both home and abroad all touch dimensions when they evaluate CBBE, such as brand association, perceived-quality, brand royalty, and market share. Among them, brand association, brand loyalty, brand popularity and reputation, and enterprises' honors or reputation have similarities in content, and perceived-quality is closely related to service quality perception and consumers' satisfaction about service employees.

2.5.2 Driving Factors for Home Furnishing Mall Service Brand Building

Service brand building is related to external environmental changes. Since 1970s, loosening regulations of service industry in western countries has caused a rapid growth of service industry, and corresponding to this fact, competitions between service enterprises have been growingly intense. Service brand construction is a cycling dynamic process. Driving factors for service brand construction refer to all kinds of elements on information imported continuously into this cycle. Different companies have different incentive for its internal brand construction (Wallström, Karlsson & Salehi-Sangari, 2008).

Due to the fact that service enterprise employees' thoughts, incentives and behaviors are mostly primitive incentives for service brand construction, we may regard these people relevant with service brand construction as driving forces for service brand construction. However, there has not yet been an agreement about which people should be involved in service brand construction so far. Driving factors for service brand construction includes enterprises' internal and external employees involved in service brand construction. Due to the fact that employees themselves are part of service brands, they are very important for service brand construction. Their attitudes and behaviors are primitive driving forces for improving service brand construction. Many scholars on service brand and management have realized the importance of human resources for service brand construction (such as Berry, 2000; de Chernatony, 2003). Therefore, this research regards enterprises' internal and external employees involved in service brand construction, namely the benefit-relevant parts, as driving factors for service brand construction.

During a process of home store enterprises' service supply, enterprises, customers and benefit-relevant parts interact between each other, and these forces become driving factors for service brand construction system. Enterprises actively manage service brands through certain service brand construction procedures, and ensure a consistence between service contact and delivery with a guarantee system of service brand construction, and thus keep exporting dynamically brand values outside. Home store service brand construction mainly includes external and internal driving factors as it will be explained below.

(1) Internal Driving Factors

a) Brand managers. They are professionally in charge of brand construction (Winski, 1987), and some enterprises implement a brand manager system, which is created during a process of multiple brand management by Procter and Gamble Inc. in 1931. Since then, PG Inc. has started to change its marketing philosophy and marketing operating way, which is also one of important reasons for PG Inc. becoming one of largest consumption product companies all over the world. PG Inc. has factories and affiliates in more than 70 countries globally. Its over-300 products are popular among more than 140 countries and areas over the world, and this concept and operating way of “one person in charge of one brand” also provides a new thought for brand management, gradually developing into brand manager system (Bard, 2003). Brand manager system is an organization way where enterprises assign specific brand managers with highly organization ability for their affiliated ones who implement brand management. Brand managers are in full charge of product and are responsible for developments, sales as well as profits. At the same time, they coordinate works between product development, production and sales departments, and are in charge of all parts and an entire process of brand management affecting products.

After the building of a brand manager system, enterprises have never regarded products as a starting point, but there is a need of brand-served consumers and retailers to make their demands being paid serious attention to from the very beginning on the part of brand managers in order to get products that are more diverse, and more matching personal demands. The system that is popular with Western enterprises is based on both internal and external working outcomes. The generation has a few deep-level reasons: firstly, there is an increasingly intensive marketing competition which demands enterprises to further pay attention to demands of consumers in different markets, and to produce different products meeting different users' demands. With an increase of enterprise product lines and more complexity of marketing department's work, more professional management is required for enterprises; secondly, each department is just responsible for a part of each product and with enterprises' increasingly expanding their product lines, it is unavoidable for some products to lack full care from each department and that leads to failures, with no one to take full responsibility; thirdly, with labor division getting more and more professional, product

research, development, supply, production, marketing research, pricing, advertisement, marketing and after-sale services are handled by different departments which would require someone to coordinate work between these departments.

Brand managers are able to coordinate various effective marketing functions, and make prompt reactions to market changes; meanwhile, due to specific brand managers, minor brand products may not be neglected. However, there are also many shortcomings as. for example, each brand manager lacks knowledge of the concept of the whole product. Each brand manager is independent under the system, and they conflict with each other for individual product benefits. In fact, some products are facing situations of being contracted or kicked off the market. Brand managers have insufficient authorities to guarantee their duties effectively. This demands brand managers to persuade advertising, sales, production as well as other departments to cooperate and support them and that may lead to conflicts between departments. Because of the unclear division of responsibilities, lower levels may get multiple instructions leading to multiple leaderships. For instance, product advertising managers receive instructions from marketing managers when setting advertisement strategies, while they are subject to brand managers when selecting budgets and media.

b) Category managers. In a global economy age, enterprises face a growing complex and unstable environment which has caused brand managers to receive more and more challenges (for example, Katsanis, 1999; Veloutsou and Panigyrakis, 2001). The brand manager system has been gradually replaced by category management (Keller, 2009), that is, when a brand has covered a major category of one product, major product category managers may manage this brand from a strategic perspective, and ensure good coordination between businesses. Sometimes, it is possible for a major product category to own multiple brands, and one brand manager cannot consider how to solve problems from a perspective of major product category, leading to similar brands' consuming one another. Establishing category managers enables them to manage the brands from a perspective of brand combinations, improve an efficient usage of resources and effectiveness of management, and meet requirements of distribution and retail channels for same category product purchases. The Chinese enterprise, Guangdong Robust Group, has ever taken this system: it sets category management department for its five

major products, namely yogurt, purified water, milk, jelly and tea.

c) Senior management officials of a company (such as CEO, chairman, general managers). In some companies, CEOs, chairmans and general managers are responsible for the company's brands. All determinations that possibly put companies at risky situations require opinions of senior officials. CEOs have rights crossing business units to stop risky ideas, and may provide necessary support in resources at any time, and any destination. There are also some companies that allows company senior official to charge a brand, such as Nestle Inc. These senior officials take the same duties as brand equity managers, in charge of setting brand strategies and coordinate brand strategies between multinational businesses. Some companies particularly establish a senior vice brand president, who would be specifically in charge of company's brand management and construction, and defined as brand champions by some companies (such as Douglas, 2001; Ind, 2001).

d) Marketing department. This is the major participant for enterprises; marketing and brand building. Due to an increasing shrinkage of some companies' marketing department's duties and functions, the chief duties will be more concentrated in brand building (Piercy, 1986). The duties of marketing departments includes collecting, collating and analyzing products' performance, price, and marketing approach of competitors, as well as analyzing competitors' advertising strategies, competitive methods, and implementing brand planning and image construction.

e) Cross-functional team. This team may coordinate and integrate enterprises' internal resources for brand building (Denison & Hart, 1996). Enterprises may also establish a company-level brand management committee or brand management team for brand management issues (Veloutsou & Panigyrakis, 2001). For example, HP Inc. has a brand equity committee composed of heads of communication representing different department's HP Inc. Their tasks are to establish HP's brand identification and positioning, as well as ensure the positioning to get effective communications and achieve a more efficient cooperation and coordination in activities of building brands.

(2) External Driving Factors

External driving factors refer to external staffs involved in or improving brand building.

When enterprises building brands, they need to answer the following questions: what are the effects of professional agents? Are there customers involved in service brand building? Is it possible to learn from competitors' service brand building? c) Are there suppliers involved in service brand building? Some of these questions will be discussed below.

a) Professional agents. Other than a company's internal employees in charge of managing brands, a company may also hire professional agents such as external advertising or brand consulting companies to manage brands (Keller, 2009). In fact, the best brand managers are employees of those agents. They are typically some people who are very interested in brand marketing. They are in contact with many different brands, understand brand backgrounds, have their own unique opinions, and have already had thoughts on setting brand marketing strategies and implementing effective brand management. For example, in 2002, one Chinese enterprise, Shanghai Jahwa Inc., realized a problem of its out-of-mode brand image of Liu Sheng, and thus rebuilt its brand, and created a future growth plan for it. After a good communication with Interbrand, a world-famous brand consulting company, a large scale work effort behind the brand started actively. Through a thorough analysis the discovery and creation of new platforms was summarized eventually for the brand "Liu Sheng", that is, "fresh and comfortable", and also a concept, mission, value and personality were defined for the new platforms. In addition, agents often become protectors while brand managements may face interruptions due to frequent change of brand managers in a company.

b) Customers. They are very important for brand building not only because they are sources of revenues for companies, but they also contribute knowledge to the company's operation, production and service. Relative to product brands, service brands have more contact with customers. In addition to advertisement, customers contact with a service brand at its marketing, service environment, and employee image and service facilities. Consumers perceive service quality from service outcomes and process they receive. Due to service's intangibility, synchronism of production and consumption, experiencing service can get customers produce brand association and meaning relevant with behaviors, thoughts and feeling during a service consumption process for service construction, leading to an strengthening of customers' perceived service brand image. Customers' experiences are a key content for service brand association; therefore customers are critical driving factors for

service brand equity (Kelly, 1999; Berry, 2000). Based on de Chernatony and Segal-Horn's (2003) category theory on participants for service brand construction, we think that an interaction between enterprises, customers and benefit-relevant parts drives the construction of service brands.

2.5.3 Home Furnishing Mall Service Brand Building Process

Current literature shows very few studies on service brand construction process. However, there are many studies on dimensions for brands and brand equity, and factors effecting brands. Therefore, this research mainly analyzes service brand construction process based on a wide range of relevant brand literatures

(1) Integrated Models for Brand Building

A - Brand identification system construction model (Aaker, 1996)

In researches of brand equity, the brand identification system construction model (Aaker, 1996) is a very typical theory. It considers that a construction of brand identification system has three steps: firstly, a strategic analysis of brands, including: i) customer analysis, involving marketing trends, incentives, unsatisfied demand and market segmentation; ii) competitor analysis, including brand image, identification, strength and strategy, and weaknesses; iii) self-analysis, including current brand image, brand history, strength and abilities, organizational values.

Secondly, based on the analysis for internal and external environments, a system to identify brand is designed. Brand identification itself is composed of three parts: brand essences, core and extension, and embodying in details on four sides: brand product, including product range covered by brands, product's features, quality/price, and experience from usage, user and country of origins. All of these either directly affect customers' perception or produce some good or bad associations such as brand organizational background, including organizational characteristics – e.g. organization's innovation, quality demand, hospitality for environment, and company's globalism or regionalism. These aspects may affect customers' good likeness of, and respect to brands.

The brand identification system model has surpassed a single brand's construction, and

discusses how to build a dominant brand, combining a brand structure for whole company and different brands inside a company, which is one big specialty for this theory. However, the model is mainly for tangible product brands with some classic examples such as for GE Inc., GM Inc., Nike and Adidas, which do not involve service brand building.

B - Kapferer's Brand Identity Prism Model (Kapferer, 1997)

This model considers that brand personality is only one key prism for brand identity. One obvious advantage regarding brand as an individual is that, for consumers (in particular those non-expert common consumers), brands become more easily to understand and communicate with. Consumers are able to perceive brands easily, just as if they also have an individual's personality and character. In addition to the prism of brand personality, other ones for brand identity also include the internal value/cultural prism of the brand, brand relationship prism (behavioral style), consumer's psychological prism, consumer's brand feedback prism, and brand's material prism (different from other brands' material characteristic). All these prisms are helpful to brand building. But the model does not point out a detailed process for brand building, and is also biased towards tangible product brand studies.

C - Brand equity management model (Davies, 2006)

This model includes four stages. The first stage is to set a future plan for brands, which needs to clarify strategic and financial targets that brands may help a company to achieve, and to make clear about elements for brand's future plan, i.e., brand's future plan simply and directly explains how brand marketing could meet enterprises' targets. The second stage is to determine brand picture. The purpose of this stage is for enterprises to understand customers' thoughts and recognition of brands in an environment that has both competition and opportunities, including determining brand image, building brand contract, and being based on brand construction consumer model. The third stage is to set brand management strategies. The purpose of this stage is to set right strategic targets for brands. A brand future plan will elaborate these targets based on market awareness and viewpoints and brand picture, and the details include five steps in order to succeed: make a positioning for brands, expand brand range, advertise brand positioning, use brands to achieve maximum effects of channels, and premium pricing. The fourth stage is to support brand equity management culture. The

purpose of this stage is to determine how to make enterprises to reorganize brand equity, as well as to determine the strategies implemented are implementable and measurable and details includes measuring returns on brand investment, building brand-based culture. The model is from both internal and external perspectives, and may be used as guidance for service brand building.

D - de Chernatony's model (2001)

This model constructs brands from a perspective of balancing internal and external orientations. It first needs to set brand future plan, and then builds organizational culture, brand targets, brand audit and brand essences, and make an evaluation of brand through brand's internalization and brand implementation. The theory regards brand building as a cycling process, and emphasizes the roles employees and brand culture play in brand building.

E - de Chernatony et al.'s model (2003)

The model further subdivides brand building into nine steps: analyze company's external opportunities and company's internal abilities, define brand and its concept, evaluate brand's feasibility, build brand's internal guarantee, positioning and differentiation and build organization agencies and resources distributions, marketing testing and brand implementation. The model equally thinks that brand building is a cycling process composed of above nine steps, and that service brand building differs from tangible product one that service brand building relies more on internal management, namely a construction process of brand internalization, which requires a dependence on all internal staffs of company, not individual's effort; meanwhile, it is required to highlight senior managers' future plans, enthusiasms and promises and their implementations; it is very critical to build a culture supporting service brand inside an enterprise. Therefore enterprises need to build a cross-function team, be orientated by customers and to provide a guarantee system for service brand building.

(2) Internal Brand Building Process

With current literatures, researchers have not yet reached an agreement on service brand construction process. For instance, de Chernatony's model (2001) and de Chernatony et al.'s

model (2003) have different steps, but both of them normally emphasize the internal brand-building process of a company with regard to studies on service brand building. An internal construction process for a company's brand refers to activities before brands being actually implemented. Prior to brands' internal and external communications, enterprises need to determine which brand image they want people to perceive. Therefore, from a perspective of enterprises, studying of brand building process does not include brand image which is perceived by customers. A systematic and structural brand building process normally includes many links. Based on relevant literature analysis, different scholars put forward different stages for brand building. We mainly use Wallström et al.'s more comprehensive, internal construction process for company's service brand building as the process model for home enterprise service brand building based on instructive value for service enterprise management and practices. The reasons are that this theory analyzes major intents of each stage in details in addition to dividing service brand construction into three stages, and describes a sequence of construction precedes that may be used as references for practitioners, providing theoretical basis for service enterprise's brand practices and ours case studies that would enable us to discuss deeply the process of service brand construction. Normally, three steps are included in service enterprise's internal brand building: brand audit, brand identity and brand position statement. These steps are just company's brand plans, which happen prior to an implantation of brands (including brand's internal and external communications) and will be explained in more detail below.

a) The first stage for internal brand building is brand audit. At this stage, companies need to analyze both internal and external environments. The former normally includes company's mission and future plans, enterprise culture and organizational structure. An external environment normally includes customers, competitors, shareholders and other benefit-relevant parts. For home industry, the uniqueness is that government is its important benefit-relevant part who provides land resources for its construction, and plays a role of supervision and service. Because governments determine to supply land resources for monopoly of house industry, it is an important benefit-relevant part. Information obtained at brand audit stage benefit companies to understand brand building environments.

b) Brand identity. It is a key link for brand building process, referring to how enterprises

make brands to be perceived. It is composed of a core and extension identities. A core identity embodies a brand's eternal essences, and an extension one includes being able to increase association for brand completion. A key task for managing brands is to build meaningful brand associations which are related to products, personalities, organizations and symbols. Brand personality is one part of an entire body of brand identity. Brands can also provide functional and emotional benefits to customers, which are able to increase customer values.

c) Brand positioning statement. At this stage, some parts are selected from brand identity to emphasize on, and to conduct communications. Brand communications include internal and external communications. Brand position statement expresses how company brands should be perceived by external benefit-relevant parts and by internal staff. Companies may have several brand positioning statements, but they cannot contradict with each other.

After a completion of an internal construction for company's service brands, an external one may be made and implemented. This research is mainly based on brand image perceived by customers to study a building process for service brands. Keller's brand equity cultivation model (Keller, 2009) is just one example. Since a normal enterprise will select brand elements, integrate marketing activities, and use second-level brand levers, these will not be repeated in this thesis.

2.5.4 Guarantee System for Home Furnishing Mall Service Brand Building

It is a cycling process for service brand construction. A guarantee system for home furnishing mall service brand building refers to forces or mechanisms such as:

(1) Corporate Strategy

Berry (2000) puts forward four strategic viewpoints on service brand equity construction based on this model: a) Differentiation - those service enterprises with superior brands always pursue differences from others, not conservative in a process of showing their brands. They build brand contacts with customers using completely new features so that customers would be satisfied; b) Improvement of enterprise' credibility - it is not enough for enterprises to only differentiate their own service from competitors'. Those service enterprises with superior brands focus on advertising themselves on one side; on the other hand, they improve

credibility through enhancing enterprises' reputation; c) Establishment of emotional connection – The real power of brands comes from customers' emotional investments, a strength beyond emotions leading to both intimacy and dependency between customers and brands; d) Brand internalization – a service process is completed by employees who are critical for customers to get good experiences. Therefore, enterprises are required to do good job in advertising brands internally making employees accept and get to like brands.

In Wallström et al.'s (2008) division on driving forces for service brand construction, a strategic reposition belongs to a guarantee system for service brand construction. These authors believe that the following reasons are what push enterprises to implement an internal service brand construction: a) crisis; b) geographic expansion; c) strategic reposition. All these three are main reasons driving enterprises to implement service brand construction. Obviously, these factors are all related to enterprises' strategies. Therefore, we regard enterprises' strategies as a guarantee system for service brand construction.

(2) Importance of Organization Culture

For home service industry, due to frequent contacts and interactions between employees and customers, building a customer-oriented enterprise culture is a basis for service brand construction; meanwhile, human resource is a major one that may be used by enterprises, exhibited more as team work during a process of service brand construction. Therefore, a team can be regarded as an important guarantee system for service brand construction. Combining with a theory of organization culture, we call both the organization culture and the team organizational environmental factors for service brand construction.

Due to the heterogeneity of service, some researchers come up with their viewpoint to use advanced technology service to replace employees in order to achieve a large scale and automatic service. However, other researchers oppose this viewpoint as they believe service employees to be able to solve unconventional service problems and to create competitive advantages for enterprises (Glenrous, 2002). If enterprises focus on technological quality, they may not be able to motivate employees in such a way that employees will not be able to solve unconventional questions for customers. When enterprises focus on process quality, and service employees agree on organization culture, enterprises are able to boost their business

performances. Only when employees understand and agree on enterprises' values, and agree on their roles, can enterprises ease their employees' nervousness, and enhance their promises on delivery of service brand value. British scholars de Chernatony and Segal-Horn (2003) think that service brands' external communication with customers, internal staff management, interaction process between employees and customers as well as enterprise culture and brand value are elements driving a service brand to succeed. Obviously, enterprise culture and brand value are not driving forces, but a guarantee system.

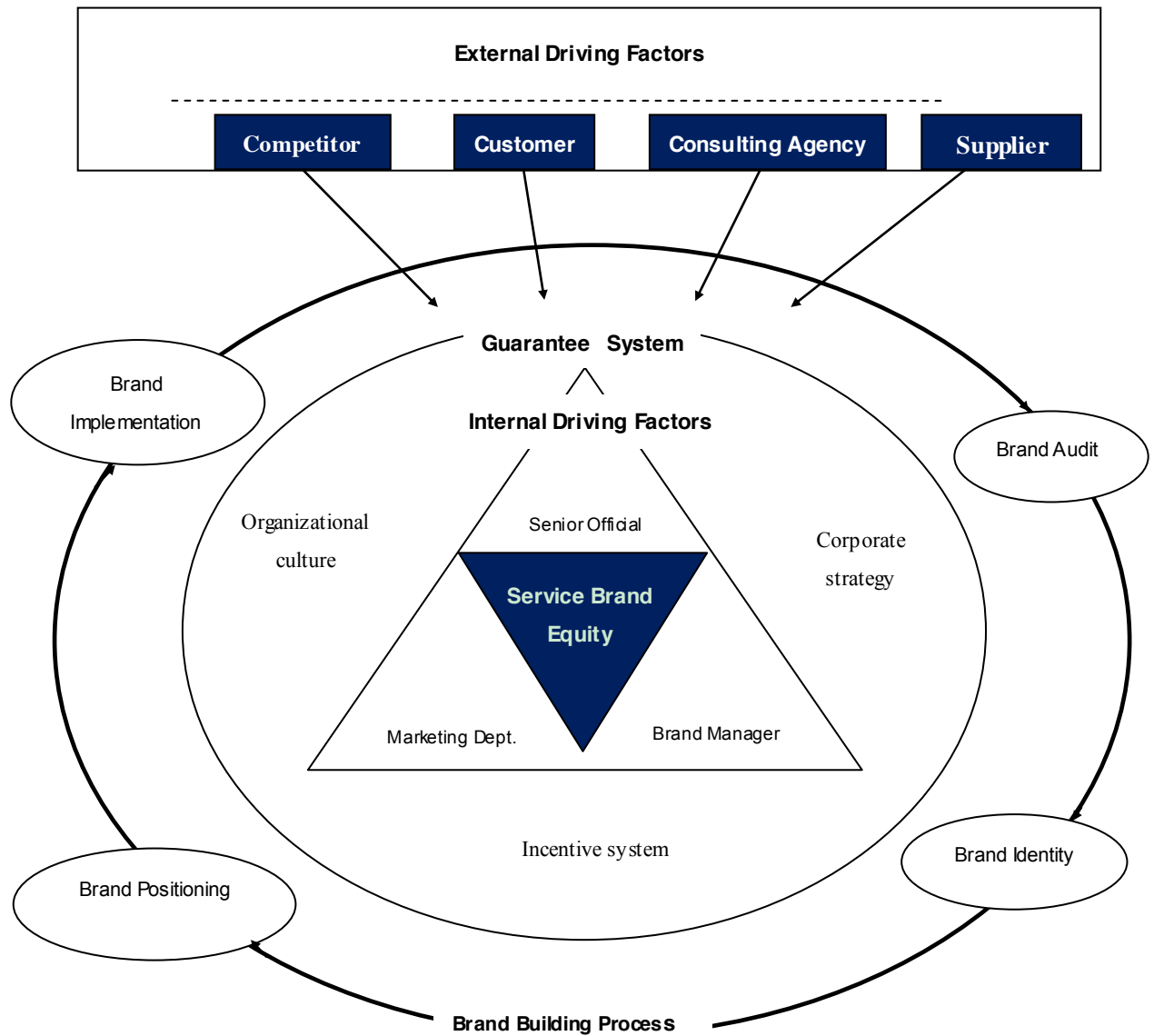
(3) Incentive System

Service brand construction requires certain management systems for guarantee, and the most important one is an incentive system. Therefore, based on above definitions on driving forces for home furnishing mall service brand building, we obtain guarantee system for home furnishing mall service brand building, mainly including: a) enterprise' strategy, that is, enterprises' strategies should emphasize the importance of customer service and service brand; b) organization environment, mainly involving enterprise culture and team work. Among them, enterprise culture refers to atmosphere in which enterprises encourage superior service and implement this encouragement. Team work refers to whether employees are able and willing to carry out an efficient service brand construction; c) management system is mainly shown as an incentive system.

Lastly, this thesis is based on theoretical studies on service brand both in China and abroad. On the basis of Berry's service brand equity model (Berry, 2000), this study describes a process for service brand construction learning from de Chernatony and Segal-Horn's service brand management model (2003), Wallström et. al's internal service brand building process (2008), and Keller's customer-based brand equity model (2009), and integrates a few questions of this thesis as a service brand building model, including driving forces for home furnishing mall service brand building, a process for home furnishing mall of commercial tenant type service brand building (including brand audit, brand identity, brand positioning statement, and brand implementation), and a guarantee system for home furnishing mall of commercial tenant type service brand building. This thesis also considers results from a pre-study of home store, and establishes initially a theoretical model for home store service

brand building (figure 2-8).

Figure 2-8 Theoretical Framework for Home Furnishing Mall Service Brand Construction



We consider a building process for home furnishing mall of commercial tenant type service brands as a cycling one. Brand audit, brand identity, and brand positioning statement should put emphasis on internal brand building and brand strategy plans. Brand implementation may be achieved through a sequence of construction tools, including three sets of tools referring to selection of elements for a brand structure, marketing combination matched with development, as well as various auxiliary factors affecting consumers' brand associations with a traditional 4Ps strategy as the core. Product strategies embody service's

functional and symbolic benefits. Price represents service value, and creates perceived-value. Channel strategy is an integrated use of both “push” and “pull” strategies, and then through an integrated advertising strategy, service brand value is distributed and shown. Service brand equity is cultivated through brand implementation, and enterprises’ powerful service brands are built through continuous feedbacks and cycles.

Chapter 3: Research Method

The study of this thesis is for the purpose of exploring home furnishing mall service brand building theory, covering service management, marketing management, human resource management, psychology and economy. This study has tried to make a systematic analysis for service brand building theory with methods of deductive reasoning and inductive analysis, based on a comprehensive review of major existing theories. Given that we have not been able to find any research specifically applied to home furnishing mall service brand building in the context of China, this thesis uses an approach combining theoretical and empirical ways to explore this topic by using primarily a case study method. The method is explained in detail below.

The method of case study is used primarily in this thesis. It is one of basic approaches for marketing and service management researches, and also one important research approach generated from management theory that is appropriate to solve such questions as "how" and "why". In particular, it is suitable for researchers to understand phenomena, look for new concepts and ideas, and to establish new theory. Researchers clearly know that service management theory has reached an agreement regarding a case study's overall principles, steps and methods (Yin, 1994). Service brand studies mainly appear in western countries with the theoretical framework under their own scenarios, differing greatly from many places in China for factors such as the economic environment, political system and cultural background. Completely copying their existing theories may limit the exploration and understanding of China's scenarios and the important Chinese service brand phenomenon, and will lead to misunderstanding of instructing China's enterprise management practice. Therefore, a case study plays a crucial role in a theoretical study of local China.

3.1 Reasons for a Single Case Study

A major target of a case study is to explore theories. Case selections must be closely correlated with theories studied. How to choose cases should be based on a relationship and

logistics whether they are particularly suitable to discover and extend construct. For these reasons, case studies use a normal theoretical sampling, not the same way to get statistics by using random sampling and stratified sampling with a large sample-hypothesis testing. This thesis chooses a single case study (Yin, 1994), and the main reasons are listed as the following:

Firstly, so far, no researcher has ever explored a case study on home furnishing mall service brand building. Secondly, a single case study is a basis for multiple-case ones, on which we need to find out an initial framework for home furnishing mall service brand building in order to conduct testing through multiple-case studies. Thirdly, a mechanism can be revealed on service brand building process through a longitudinal research and in-depth analysis of sample enterprises' multiple- growth stages for a deeper case investigation, a much easy way to solve service brand building problems such as "what" and "how". Fourthly, the sample enterprise in this study is a representative of China's home furnishing mall enterprise, owning successful experiences with service brand building. Its case study results may be suggestive to other industries and enterprises.

Fusen Noble House Co., Ltd., Chengdu, China (referred to accordingly as Fusen Noble House below in the remainder of this thesis) has been chosen for a case study on service brand building, mainly because of its leading service philosophy and rich practical experiences in building a service brand within the industry. For building material markets, home furnishing mall of commercial tenant types still dominate building material market in China, including traditional, large attracting-merchant building material markets and attracting-merchant chain building material markets, approximately accounting for 95% the whole market.

Fusen Noble House is a comprehensive, attracting-merchant building material market. In Chengdu area, it has a 65% market share in the wholesale-building material market, and a 30% market share in the retail one. Thus it has an absolute competitive advantage at local decoration building material market. Table 3-1 reveals its good operation performance resulting in positive effects on service brand building. Figure 3-1 shows that the company has achieved a continuous growth in its operation revenues and profits, total and net profits over

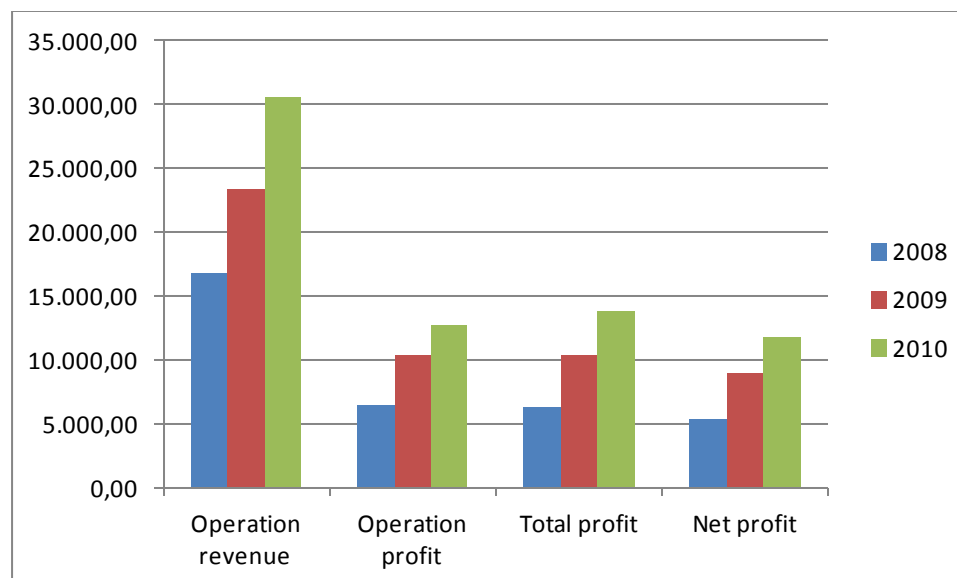
recent three years.

Table 3-1 Profits in Recent 3 Years, Fusen Noble House (10,000 yuan)

<u>Item</u>	<u>Year of 2010</u>	<u>Year of 2009</u>	<u>Year of 2008</u>
Operation revenue	30,621.65	23,448.44	16,862.16
Operation profit	12,777.25	10,401.49	6,449.17
Total profit	13,794.16	10,460.86	6,326.34
Net profit	11,791.58	8,920.56	5,372.94

Source: Fusen Noble House Internal Annual report (2008-2010).

Figure 3-1 Statistics for Financial Performance Growth, Fusen Noble House, 2008-2010(10,000 yuan)



Source: Fusen Noble House Internal Annual report (2008-2010).

Additionally, Fusen Noble House provided an excellent opportunity for research with full access to company's documents, statistics, meetings and staff interviewing and the company fully hopes to share the research results as evidence for building home furnishing mall service brand. Therefore, the company is not only a typical case for service brand building, but is also a positive and possible object of study, which is quite important for an in-depth case study, a reason why the company has been selected in this thesis.

3.2 Data Collection Methods

This thesis follows a case study's triangulation method (Miles and Huberman, 1984), that is, ensures various material and statistics to be tested triangularly through multiple statistics (person, event, destination), multiple approaches (observation and interviews), multiple-observants, and multiple theories and types of data (document, statistics), as well as through multiple-channel sources including Fusen Noble House's internal and external ones, to realize a theoretical construction and testing.

(1) Qualitative data collection method. This thesis selects methods of collecting both second-and first-hand information. The former include:

- a) Historical data that is all major published articles on Fusen Noble House, as well as the articles chosen from industry or specific topic materials.
- b) Information that is collected directly from Fusen Noble House, especially the articles regarding operation and management, and published presentations by senior management, together with the company's inner journals, annual conferences and other documentations.
- c) Annual reports, agent statements, analysis reports and other materials of Fusen Noble House's.
- d) Internal materials on its organization, including the company's organization structural graphs during different stages, and human resources management system of Fusen Noble Houses.
- e) Materials on service brand management, including the ones related to historically the company's service brand building, involving meeting minutes on service brand building and the Marketing Department's work, and the ones relevant to service brand management in the General Manager's meetings.
- f) External materials. The researcher collected and sorted out background information through the company's website and internet searching, such as the company's organization structure, growth stages, strategic orientation, industry involved, important events and outside evaluations.

The first-hand information collection methods include:

- a) The researcher, besides of the studied company, also went to visit its competitors to take on-spot surveys, including on-spot interviews, investigations and to experience its various services as customer.
- b) Meeting with the General Manager and each department manager with the topics on Fusen Noble House's service brand building philosophy and practice. The researcher recorded or wrote down the whole process of the meetings. The purpose of the meetings with the managers was to get basic factors affecting home furnishing mall service brands, and to analyze the relationships between them, and simultaneously to make a feasibility analysis on selecting empirical study objectives, as well as to make qualitative analysis for factors and mechanism affecting home furnishing mall service brand building.
- c) Individual interviews. This thesis has chosen 10 employees who have worked in the company for a long time and nine middle and senior level management staff interviewees (see table 3-2 for background). They have been employed by the company ranging from three to eleven years individually, and went through all growth stages of the company. The interviews were outlined using all open questions, and administered by the researcher. The researcher first introduced the studying purpose during formal interviews, and then explained the main questions to the interviewees involving incentives, stages and guarantee systems for enterprise's service brand building to help interviewees think about and describe how to build the company's service brand. During the interviews, the researcher conducted in-depth explorations on key events, and prepared for service brand building analysis later; also the researcher was not completely limited to questions in the interview outlines, but made adjustments on questions in accordance to interviewees' answers. Each interview took 60 to 120 minutes, being recorded on-site, and transferred into documents in time after interviews.
- d) An adaption of on-site investigations, in which the researcher was involved into actual studying, investigating, discussing of Fusen Noble House, as well as into its brand building process.

According to the major issues needing solutions in this thesis, several detailed ones may be subdivided further to develop an interview outline for interviews based on conceptual framework. Two managers firstly take pre-testing in order to improve efficiencies of interview

outlines, which have been amended later according to the outcomes. Table 3-3 shows major questions in the outline. They can be an evidence for the interviews with the case study company management staff.

Table 3-2 Background for Medium- & Senior-level Management Staffs

No.	Position	Background
1	Vice General Manager	Joined the company in Feb., 2009. Currently, his main duty is doing enterprise transformation & listing the company in the stock market.
2	Vice General Manager	Join in the company in Feb, 2004. From 1995-1999, he studied at Sichuan University. and worked for the newspaper before. Main duty is marketing planning
3	Vice General Manager	Joined in the company in 2006, EMBA degree. Main duty is human resources management.
4	Operation Management Department Manager	Joined in the company on Dec.8, 2003. Has been working at the Operation Management Department. Get started from a front-line staff to regional supervisor to regional manager. Now is the department manager
5	Vice Manager of the Operation Management Department	Joined the company in 2004. Has worked at the company for 7 years.
6	Manager of Marketing Planning Department	Joined the company in September 2002.
7	Vice Manager of Human Resources Department	Joined the company in Oct., 2000. Has worked at the company for 9 years. Get started from a front-line staff with mainly assisting tenants for register work. Now is Vice Manager of Human Resources
8	Security Department Manager	Joined the Security Department of the company in 2002
9	Property Department Manager	Joined The company in 1997. In 2008, he's Manager of Property Department at the Fusen Decoration Building Material Headquarter

Table 3-3 Major Problems for Home Furnishing Mall Service Brand Building

3 levels	Perspective	Detailed Questions
Driving factors of service brand building of home furnishing malls	External driving factors	(1) Whether consumers take part in service brand building or not? (2) Whether learns from rivals' service brand building or not? (3) Whether suppliers take part in service brand building or not? (4) What is the role of professional agent?
	Internal driving factors	(1) Whether senior and middle managers participate in service brand building or not? (brand manager, vice senior brand president, CEO) (2) Whether consumer service staff participates in service brand building or not? (3) Whether non-consumer service staff participates in service brand building or not? (4) What is the role of market department? (5) What is the role of cross-functional departments?
The process of service brand building of home furnishing malls	Brand auditing phase	(1) Whether there is internal environment analyze or not? (2) Whether there is external environment analyze or not or not? (particularly about government)
	Brand recognition phase	(1) Whether there is core recognition or not? (2) Whether there is extension recognition or not?
	Brand positioning declaration phase	(1) Whether selected part from brand recognition is emphasized or not? (2) Whether there is communication with consumers or not? (3) Whether there is communication within staff workers or not?
	Brand executing phase	(1) Whether to select brand constitution or not? (2) Whether to develop matched marketing portfolio or not? (3) Whether various auxiliary factors that affect consumers' impression of brand are made use of or not?
Guarantee mechanism of service brand of home furnishing malls	Corporate strategy	Whether the corporate strategy revolves around sustainable service brand building or not?
	Organization environment	(1) Whether the enterprise culture encourage service brand building in its organization environment or not? (2) Whether company work team shows a strong sense of service brand or not?
	Incentive mechanism	(1) Whether the enterprise has a specific material incentive mechanism for service brand in its overall incentive mechanism or not? (2) Whether the enterprise has a specific spiritual incentive mechanism for service brand in its overall incentive mechanism or not?

(2) Quantitative statistics collection methods

We collected quantitative statistics through surveys to evaluate current status of home furnishing mall of commercial tenant type service brand building in the studied area located in Chengdu and within the home furnishing industry. Customers, tenants and staff were selected for investigation by means of questionnaire survey. The following steps have been designed for surveys: we set different survey questions for different people (tenants, staff and customers), according to the knowledge we knew from the on-spot and meetings (see Attachments 3-1, 3-2, and 3-3). The survey is regarded as one part of a large service brand study project. When designing the surveys, we started from the key features for building material market and included all above elements in the survey. The feedbacks from the surveys are shown in Table 3-4.

Table 3-4 Feedback Information for Survey

	Merchant	Customer	Staff	Total
Number of Returned Survey	956	359	118	1433
Number of Valid Survey	481	317	96	894
Validity Rate	50.31%	88.3%	81.36%	62.39%

The following steps have been taken to ensure reality and reliability of the information obtained from the investigations: interviews would not be taken until it has been agreed by interviewees; and interviewees must satisfy the following conditions: first, the consumer must have lived locally for one year or over; and second, the consumer has to have ever received service supplied by the service enterprise over the past half year. We then checked all the key information to evaluate its completeness, and whether there was any contradiction for individual information or whether questions had been answered completely or not.

3.3 Data Analysis Approach

Different analysis approaches are taken due to the nature of both quantitative and qualitative of the study in this thesis.

(1) Qualitative analysis was undertaken in the form of content analysis with a purpose to extract themes from a large number of qualitative information, which is similar to factor

analysis for quantitative statistics study (Lee, 1999). This thesis mainly used coding and categorization to analyze materials; the critical point is to extract a theme from large qualitative materials of Fusen Noble House, and find answers to the questions. Materials were coded according to statistical sources, including the first-hand and second-hand information. For the former, three senior management employees have been coded from TM1 to TM3 respectively, six medium ones coded from MM1 to MM6 respectively, and common employees coded as single EM0. For the latter, a uniform code is assigned as SH due to complex sources; next, we gradually analyzed the first-and second-hand information one by one.

Due to the major issues studied in this thesis involving key elements driving home furnishing mall service brand building, its building process and a guarantee system for home furnishing mall service brand building have been extracted from management literature and we regard this theoretical literature as reference when making analysis on relevant information, and assign codes for service brand building items corresponding to the examples and issues covered by the information.

We refer to the major studied questions when assigning codes. Through an initial coding classification for the first-hand, and second-hand information, an item case is obtained, classified as categories of key driving factors, building process and guarantee system. We then further assign subdivision codes for items in the base, according to the questions studied in this thesis.

To smooth bias in understanding and to ensure reality of statistics and study we feedback the statistics and preliminary results to Fusen Noble House to get confirmation from its senior management and relevant departments.

(2) Quantitative statistical analysis approach.

This thesis uses quantitative and empirical approach to study issues such as industry background for home furnishing mall service brand and asset evaluation of service brands. Regarding dealing with statistics, we first double-checked overall original statistics; once non-normal ones have been found, we processed them and selected valid ones based on double check. Then, we asked for experts' opinions based on our long-term study

accumulated with stratified analysis to determine and compute each indicator's weight, and make analysis and calculate for corresponding statistics and indicators with SPSS software, deriving ultimate outcomes. A method of descriptive statistics is mainly adopted in this thesis.

Chapter 4: Case Study Results

Based on the information collected and an analysis on the case enterprise, this thesis realizes that Fusen Noble House has a large experience on service brand building and on its outcomes. A certain progress is required for service brand building, which requires both internal and external driving forces. Besides, enterprises need to set up a guarantee system for building service brands. The results of this study have proved and added to previous theoretical assumptions and models, and enriched the furniture market service brand building, thus demonstrating the suitability in selecting the case. Based on these, this thesis discovers some valuable outcomes regarding each side of the issue of service brand building.

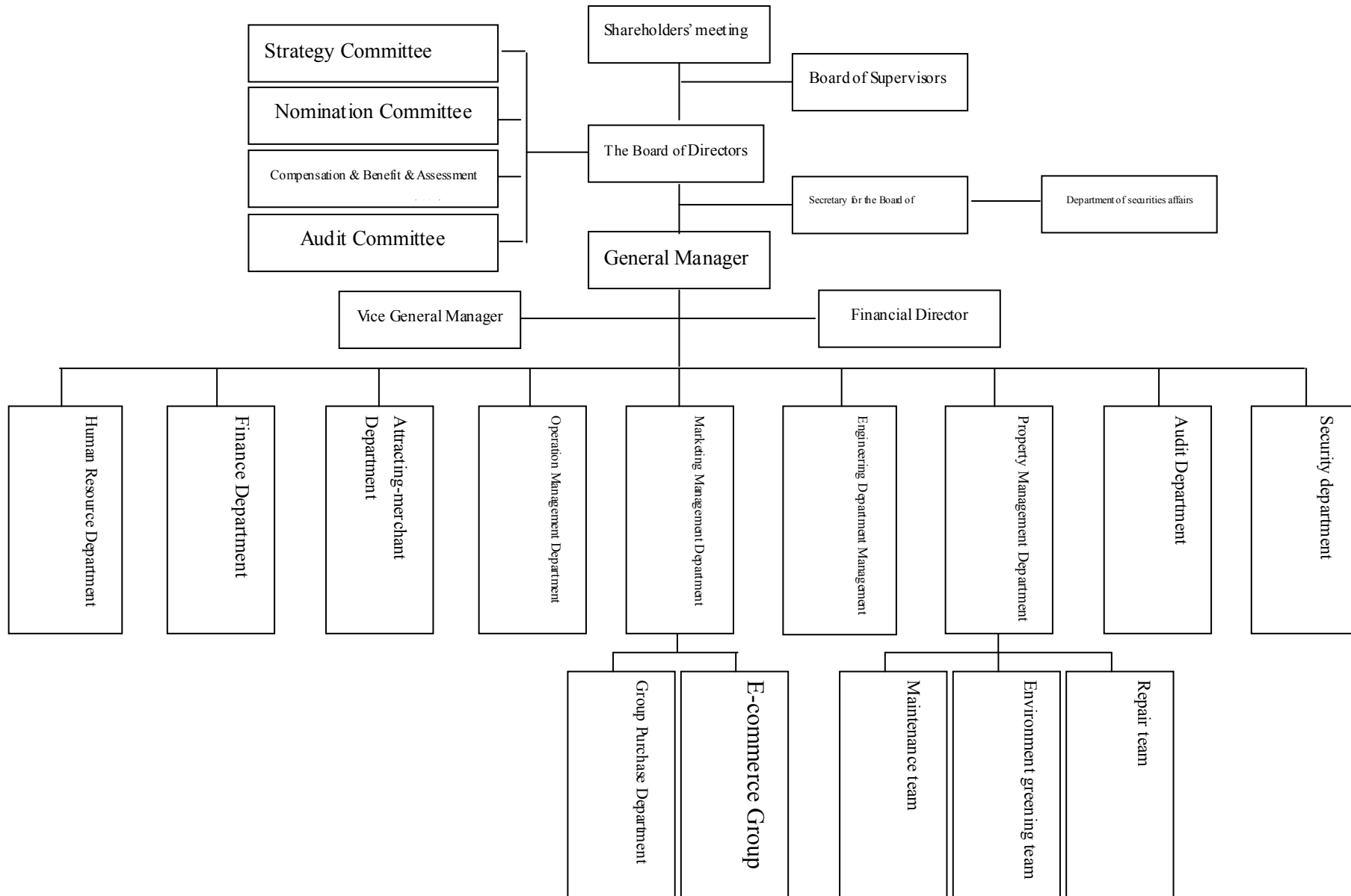
4.1 Growth History of Fusen Noble House

4.1.1 Background

Founded on December 7, 2000, Fusen Noble House is a modern furniture enterprise pursuing large business markets' development, operation, management and marketing planning in China. Currently, it has three big markets in Chengdu: Fusen Noble House (north part of the city) Building Material Headquarter (see Attachment 4-1 for details), Fusen Noble House Building Material Mall (see Attachment 4-2 for details), and Fusen Noble House Furniture Mall (see Attachment 4-3 for details). The company has established a relatively complete organization structure (shown on figure 4-1).

In 2001, the company invested 800 million yuan in its 220,000-square-meter "Fusen Noble House Building Material Headquarter" with more than 1500 tenants moving in and over 10,000 employees being hired. It is the first building material market in this industry in China that puts forward and carries out the policies of "compensation first", "operation by general adoption of the market principle, management by general adoption of the merchandization principle". After a decade of growth, Fusen Noble House developed a way of combining scale operation and brand operation, linking professional service to sectoralization, being a leader and a success example for household article industry's marketing service type in China.

Figure 4-1 Organization Structure Graph for Fusen Noble House



In 2007, Fusen Noble House invested in “Fusen Noble House Building Material Mall” at the “New South Zone” commercial center, which is located at High-tech District, Chengdu for a new jump and significant growth of modern top-grade service. On June 7, 2008, 10,000-square-meter “Fusen Noble House Building Material Mall” witnessed a grand opening. With 328 tenants moving in, the mall collected 368 top-grade household brands from Europe, North America, Hong Kong China, Guangdong and Shanghai. Among them, 139 brands are the first timers in Western China. The mall not only provided the best platform for each top-grade household article operation merchant to display its brand, to expand sales and occupy middle and western China markets, but is also a shopping center for consumers in and around this area with the best shopping environment and the highest-grade merchandise.

In May 2009, the company invested one billion yuan in Fusen Noble House Furniture Mall at the “New South Zone” commercial center, located at High-tech Zone taking over 45,333 square meter of land, and 170,000 square meter of building area that includes five storeys above ground and two storeys underground. It started to operate formally in July 2007 with more than 600 international, domestic and Chengdu enterprises moving in with high-grade and well-known furniture, decoration materials and large household article businesses, providing all household article products from reception to move-in to middle-and high-end consumers.

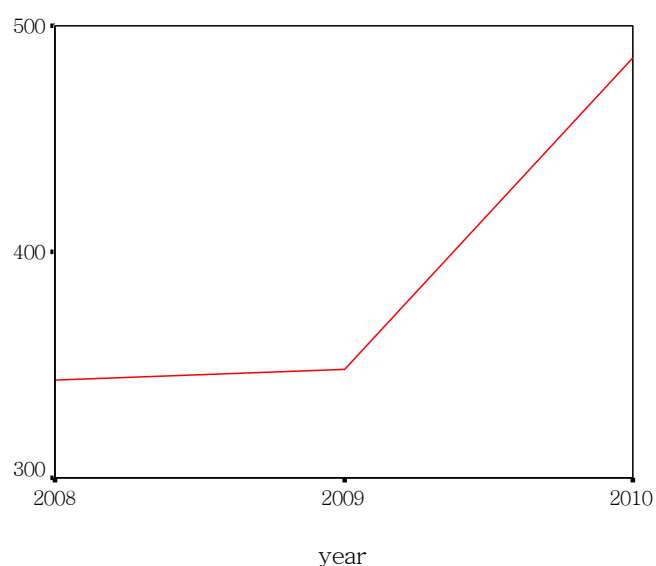
For a growth of 10 years, the company has employed up to 486 employees over recent three years (see table 4-1). In the recent three years, the number of employees increased continuously (figure 4-2) with a reasonable age distribution of staff (table 4-2), and revealing the featuring of younger employees. These employees are of higher education with 26.1% having an associate degree or above. Improvements in both labor force quantity and quality guaranteed its brand strategy with good-quality human resources. The company has received positive comments several times from visiting government officials. It has earned many honors such as “Advanced Circulation Enterprise in Sichuan Province”. In March 2008, the brand “Fusen” is honored “China Famous Trademark”, the only one in home furnishing mall industry that obtained this honor. In February 2010, the company is awarded “Asian Furniture Leadership Awards 2010” (AFLA), the only one thus honored in China’s home stores.

Table 4-1 Number of Staffs and Its Change, Fusen Noble House

Year	2010	2009	2008
No. of Staffs	486	348	343

Source: Fusen Noble House Internal Annual report (2008-2010).

Figure 4-2 Number of Staffs and Its Change, Fusen Noble House



Source: Fusen Noble House Internal Annual report (2008-2010).

Table 4-2 Staff Age Distribution, Fusen Noble House

Age Range	Number of Staffs	Share of total staffs
Below 25	88	18.11%
26-35	190	39.09%
36-45	179	36.83%
Above 45	29	5.97%
Total	486	100.00%

Source: Fusen Noble House Internal Annual report (2011).

Table 4-3 Staff's Education Level, Fusen Noble House

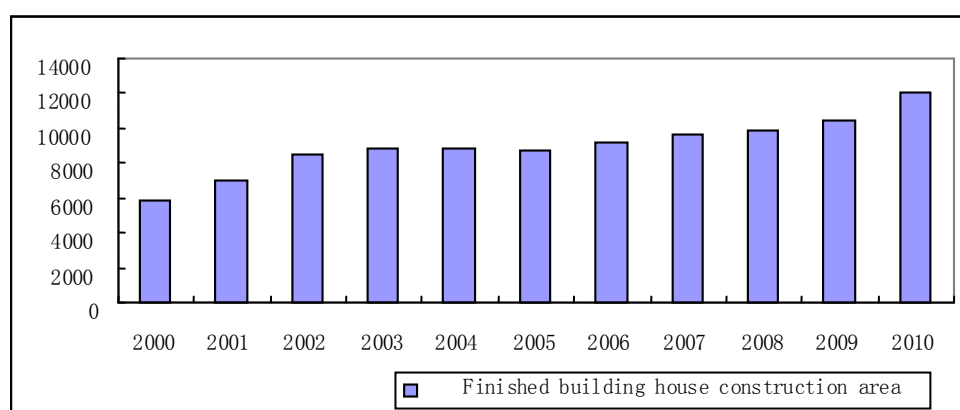
Degree Category	Number of Staffs	Share of total staffs
Bachelor & above	43	8.85%
Associate	84	17.28%
Secondary technical school	162	33.33%
High School & below	197	40.54%
Total	486	100.00%

Source: Fusen Noble House Internal Annual report (2011).

4.1.2 Industry Growth

Having been strongly driven by the reconstruction work after the “Wenchuan” earthquake and by a policy of expanding internal demand, Sichuan Province increased substantially its fixed capital investment. As a result, the housing building industry has experienced a relatively rapid growth, providing a strong support for a development of decoration building material market. In 2010 the province invested 135.81 billion yuan in social fixed capital, an increase of 13% compared to 2009. A steady growth in scale of project investment boosted the building industry. According to statistics from Sichuan Bureau of Statistics, it achieved 12.38 billion yuan of added value in building industry in 2010, a year-to-year growth of 19.8% at current prices. Meanwhile the province finished house building construction area of 290 million square meters, growing 10.9% on a year-to-year basis, and the new building area of 150 million square meter, increased 0.02 billion square meter compared to 2009 with an increasing rate of 15.5%, and accelerating by 9.2%. Meanwhile, there appears a strong consumption trend in decoration building material market in Sichuan area. In 2010, Sichuan Province witnessed 20.7% increase in building and decoration materials and 15.1% increase in retail sales of furniture. During the period of 2000 to 2010, the housing completion area increased steadily in Sichuan Province (figure 4-3).

Figure 4-3 2000-2010 Finished Building House Construction Area (10,000 square meters)



Source: China Statistical Yearbook. (2010). Beijing: Zhongguo Tongji Press.

Sichuan Province, an important part in China’s policy of developing Western China, has a lower per capita level of both disposable personal income and consumption expenditure

despite its higher ranking in terms of GDP. But the province shows a strong potential growth trend with its construction industry remaining in active status. China's development of the western regions will accelerate its overall economic growth rate, together with speeding up the growth of regional medium and small-sized cities. Accordingly, new commercial phenomenon emerges. With an impressive rise in the level of the living standard of people living in cities and towns, improved demands for middle-and top-grade decoration building materials and household articles have substantially increased, leading to tremendous room for the company's market expansion.

4.1.3 The Company's Growth Stage

China's building material market has experienced several stages through single stores, whole-street sales, large building material markets, and chain supermarkets to attracting-merchant chain markets. At present, there are multiple stages coexisting at the building material market in China with large building material markets, chain supermarkets and attracting-merchant chain markets as the three leading ones. From a perspective of service management, the building material market approximately has experienced store-renting-out, market management and value-added service stages.

The company has become a tenants-attraction market in large scale, boosting diversified merchandise, convenient transportation and powerful influence based on an originally traditional one. Fusen Noble House Decoration Building Material Headquarter has an absolute competitive advantage in attracting tenants and operation management over other stores from a formal operation in May 2002 to present. Since its establishment, the company has expanded its operation rapidly (Table 4-4), the number of tenants moving in keeps increasing (Table 4-5) and factory sales revenues are growing fast (Table 4-6). In 2001, the headquarters occupied a land area of total 586,666 square meters with over 2,670 tenants relocating in. Meanwhile, an increasing number of people have been employed by the company (Table 4-7), and its management is continuously improving. The headquarter has eight large trading areas and one exhibition center, a modern logistic center of decoration material combining functions of whole-sale, distribution, inventory, dealing, decoration

design and exhibition that have the largest scale, most powerful influence and spillover effects in Western China.

Table 4-4 Market Operation Area and the Change

Year	2000-2002	2003-2005	2006-2008	2009 - Present
Market Area (square meters)	350668.61	417335.61	555335.61	755335.31

Source: Fusen Noble House Internal Annual report (2000-2011).

Table 4-5 Numbers of Move-in Tenants and the Change

year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Number of tenants	Under construction		800	921	978	1106	1313	1478	1895	1920	2218	2676

Source: Fusen Noble House Internal Annual report (2000-2011).

Table 4-6 Sales Change, Factories for the Market

Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Merchant Sales Amount (100 million yuan)	Under Construction		68	92	128	136	144	157	169	172	199	261

Source: Fusen Noble House Internal Annual report (2000-2011).

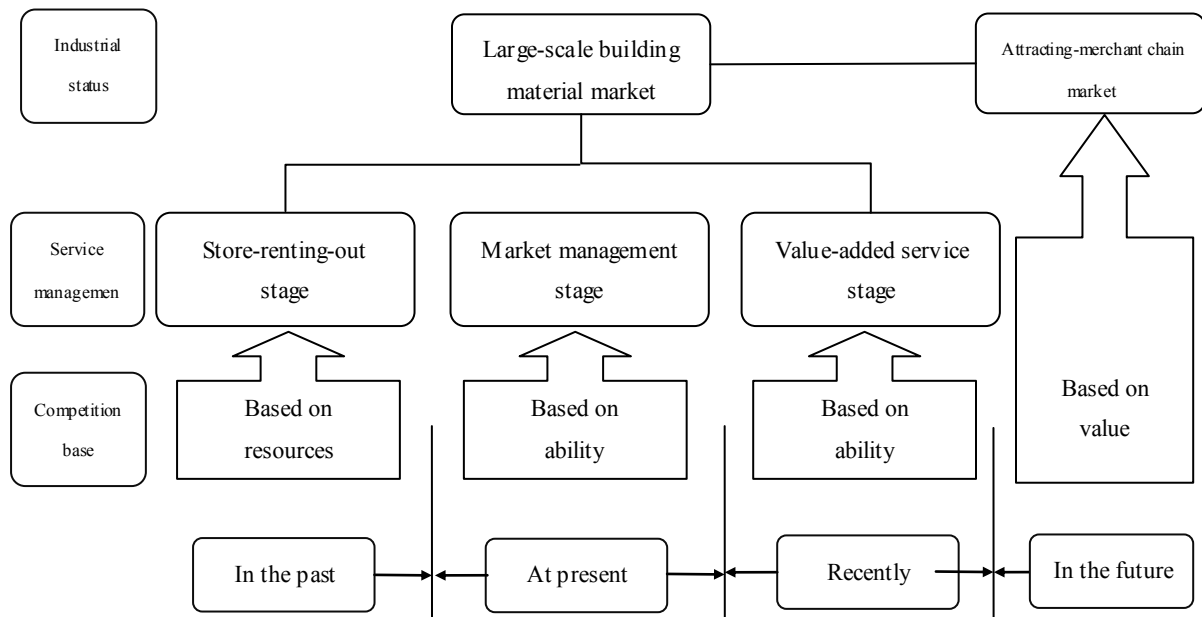
Table 4-7 Change of Numbers of Staff Since the Founding of Fusen Noble House

Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Number of Staffs	59	97	121	172	198	231	277	280	320	350	430	500

Source: Fusen Noble House Internal Annual report (2000-2011).

Combining with the current status of the building material market, as well as the growth trend of service management and law of enterprise development, we may derive an approximate growth process for Fusen Noble House through multiple interviews with the company's senior management.

Figure 4-4 Growth Stages for Fusen Noble House



From figure 4-4 we can see that, depending on its rich land resources and superior geographic location, the company yields a certain operation scale at its stage of commercial tenant strategy, combining many tenant resources to “making the company big” step by step. Therefore, over the past years the company won the competitors for its large scale.

Nowadays, with growingly intensive competition among industries and more and more complex and diversified demands from customers, enterprises are entering a “making strong” stage for they could be kicked off the market once they are unable to meet customers’ requirements effectively. At this stage, companies should not only depend on its advantages in human resources, funds and physical resources, but also seek to meet all customer needs through a superior service at its market management stage for a good image and reputation. Based on these, companies need to produce all kinds of value-added services, so as to automatically consider customers’ requirements and demands, increasingly boost its management ability, and improve inner mechanism, realizing a transition from “compete the small with the large scale” to “strong ability to compete”, and the ability to improve.

After an enterprise has had a stronger ability and complete mechanism, a chain operation can be started relying on brand effects and popularity. For the case of Fusen Noble House, it

would most likely choose an attracting-merchant chain market, which enables small-scale, weak-influence building material markets to copy themselves efficiently in a uniform pattern, and to further expand operation scale, enlarging their sizes through self-investment or inviting investment so that they could release investment pressure, achieve large scale operation and increase values of intangible assets. Fusen Noble House will perform more and more actively with this value-based operation.

4.1.4 The Growth Process of the Company's Brand

Fusen Noble House has steadily built its core brand with a comprehensive way of management by conducting brand strategy, marketing service, merchant attraction and market management.

Since its founding, the company has included a brand building work into its development strategy, in which it makes a detailed plan specifically for a brand growth, clarifying major tasks for each stage. All these have prepared a sound foundation for the success of Fusen Noble House in building its brand.

In terms of marketing, the company has created a unique and efficient marketing pattern. Based on a deep understanding of characteristics of local consumers, the company integrates its overall marketing resources effectively, and conducts a market-oriented concentrated sale. The Fusen Marketing Pattern is created for the first time in China, with which the company collects all tenants' funds for the purpose of making its brand, conduct a concentrated sale with multiple-resources, resulting in a lower operational unit cost, and simultaneously expanding its brand effects on the market, achieving a win-win result between the company and tenants.

Fusen Noble House has an extraordinary capability in attracting tenants. Having been seeking to build a marketing service-type market, the company gives up a traditional way of attracting tenants and investment, but adapts to a new concept of selecting and cultivating tenants; it carefully chooses factories with good brand images, apparent comparative advantages, and tenants with excellent reputations, providing them with a continuous, complete value-added service. Meanwhile, the company establishes a vigorous regulation for

market entry and exit, raising the threshold to enter the markets. It knows tenants' market status as well as operational scale whenever possible, and pays an in-time attention to each subsidized industry's most recent changes, adjusts store and marketing resources whenever needed, and automatically delists those tenants with poor operation performance or tenants operating inferior merchandises from the markets, realizing a transition of attracting-tenants task from meeting market demand to orientating market demand, so as to guarantee a more reasonable merchant and product structure within the markets to meet consumers' needs, and to achieve a tri-win between the company, tenants and consumers.

In terms of service, Fusen Noble House provides tenants with a good, continuous value-added service. The company has been very concerned about its value-added service supplied to tenants. It takes great efforts in boosting cooperation between factories and tenants, and in training tenants, enabling tenants to be attracted by and to remain at the markets, and truly achieve a target of double-win between the partners. Fusen Noble House effectively uses long-term accumulative information resources covering products, enterprise, and regional plan. It plays efficiently its role as a bridge and link between tenants. It is also active in knowing tenants' needs, and provides sequence services in marketing training, marketing planning, and financing to tenants. It improves in time to get a powerful combination of brand products, dominant enterprises and superior tenants, achieving a mutual growth for both tenants and markets.

In terms of market management, Fusen Noble House establishes a highly effective market management pattern. All stores in the market are developed by tenants themselves, which are not allowed for purchase, but leasing. An official management of tenants can build not only a fair, equal, healthy competition platform for them, but also a trustable consumption environment for consumers.

After ten years' growth, Fusen Noble House has now been a large decoration material market in Sichuan Province with the largest operation scale and strongest comprehensive competitiveness. By the end of 2010, tenant brands moving in Fusen Noble House market include 81 "China Famous Trademark", 50 "China Top Brand", and 59 "Provincial Famous Trademark", and numerous famous brands for building materials imported from overseas. In

particular, in the field of decoration materials, Fusen Noble House Decoration Material Headquarter has been an exhibit and image shop center for China's well-known building material brands in Sichuan area, as well as a regional decoration material headquarter base and shopping center. It has accumulated plenty of experience in market development, attracting investment, sales and management, and building a good brand image in the market. It is dominant as a household article business at a regional market, noticeable for its leading role in the industry.

In terms of brand building effectiveness, Fusen Noble House has a widely influential effect in the market. Over its long-term development, the company has been centering on brand operation, actively promoting its brand market strategy, and continuously boosted its market values. It consequently has won a long-term trust and a very high evaluation from tenants and consumers. The saying "Go to Fusen Noble House to buy building material and select furniture" has been deeply rooted in the consumers' mind in Chengdu market. Since May 8, 2002, Fusen Noble House has been honored several times by national industry agencies such as "China Top 10 Building Material Market", "National Standard Building Material Market", and "National Five-Star Building Material Market". In May 2008, the registered trademark "Fusen" is confirmed by the State Administration Bureau for Industry and Commerce as China's Famous trademark for No.35 category, helping the company build a good brand image in Sichuan area.

4.2 Driving Factors for Building Service Brand of Home Furnishing Mall

This research codes data from first-hand and second-hand information sources relating to Fusen Noble House's service brand building. The coding is mainly based on the research questions of this thesis (see table 3-3). Through coding the first-hand and second-hand data, we get the item base, and items in the item base are classified into three kinds: key driving factors, building process and guarantee mechanism. There are 101 items belonging to the driving factors for service brand building (See table 4-8). Among them, 36 are external driving factors while 65 are internal ones. There are two characteristics in terms of item distribution of driving factor for service brand building from table 4-8: the first one is that

internal driving factors have much greater effects than external ones, and the second is that the major forces driving Fusen Noble House to build its service brand come from three parts: the company's internal medium and senior-level management staffs, external customers, and the Marketing Department, while there is less than five items belong to external suppliers, internal contact-customer employees and not-contact-customer ones, indicating that they are less likely to be factors driving Fusen Noble House to build service brand.

Table 4-8 Items and Quotations Examples of Driving Factors to Building Service Brand of Fusen Noble House

level	Questions	No. of Items	Examples of Quotation
External driving factors	Customers' participation	30	"The actual merchandises sold at the market are provided by tenants, but they are also our customers at the same time. Factories are our indirect customer. Merchant is a direct source of profits to us. With recent years' continuous market expansion, tenants are also willing to grow together with the company, and they keep pace with our market building through improving their store images and supplying a variety merchandises" (TM1) "With so intensive competitions, the tenants are relatively lagged in terms of operation management, so they are required to be updated. For such case, tenants will communicate with the company. They have the company to design plans when doing activities, and prepare some small gifts for thankfulness. The company, factories and distributors get together to discuss detailed issues according to brand and products' features" (MM3)
	Reference to competitors	3	"The incentive for the company to build brand comes from requirement of market competition" (TM2) "In order to know the status of the industry, the company sent staffs to developed areas to investigate the competitors' operation situations each year" (TM3)
	Suppliers' participation	2	They "obtained products, funds and won supports from factories through agents, and the factories directly contacted the company for a larger cooperation project. If they have better brands, the company contacted the factories directly. All there are for an ultimate purpose of enhancing competitiveness in market and of improving product structure" (TM1) A tough, loose relationship between suppliers and the company would bring some certain customer volume, influential power, policies and products to the company" (TM2).
	Role of professional agents	1	It is mainly advertisement company that co-operate with us as a professional brand agency" (TM1),

Internal driving factors	Medium & senior Manager (brand manager, brand senior Vice General Manager, CEO)	32	“Fusen Noble House has been seriously concerning about brand building. The General Manager often holds some meetings regarding management and business. It might have not mention too much on brand building orally, but the company’s each step of strategy, operation or some detailed behaviors in management or operation have been around a brand building, such as seriously concerning about consumers, tenants, and studying. All are multiple-dimension requirements on a brand building (TM2) “I think it is decided by the company’s philosophy (strive to be first-rate within the industry and to make the company a long-term lasting one. To keep expanding and continuously growing bigger and bigger, and to obtain customers’ recognition, we need to build our own brand. We registered many trademarks when operating factories. Any enterprise needs to build its now brand if it wants to expand within industry” (MM5)
	Customer service personnel	2	”Brand eventually reflects enterprises’ comprehensive capacities, requiring all people’s mutual efforts covering the management who makes decisions and common staffs. For a common staff, doing his/her own job well is just the biggest contribution to the company. Participation of making decisions is not the duty of departments like ours” (MM1)
	Non-customer service personnel	2	”We provide trainings to all first-line employees like cleaners who also receive regular trainings. We will make them to realize their jobs are so important, and to know their responsibilities. They are urban beauticians, and ought to be proud of their valuable work. We anticipate customers could be orientated with their behaviors by cleaners’ work, and simultaneously their work would bring happiness to customers when shopping at the company” (MM2)
	Role of the Marketing Department	18	“The Marketing Department has a very direct impact on brand building. We feel intuitively the company's changes through the Marketing Department staffs' behaviors, their working style and attitudes towards dealing issues” (TM1). “When building brands, the Marketing Planning Department is mainly responsible for promotion design, so they play a relatively significant role in building brands. They have designers and document writers requiring to change every time for market investigations which are expected to bring benefits to tenants” (MM4).
	Role of the multiple-function team	11	“In terms of brand building, there is study group inside the company, and it not only studies brand but also studies some questions during management and growth process, such as service brand study, office automation study, and puts forward topics on industry’s development, internal brand and internal control” (TM1). “Much earlier inside the company an "Enterprise Brand

Internal driving factors	Role of the multiple-function team	11	Building and Developing Committee" is established which is composed of Marketing Planning, Marketing Operation, Executive Management, and Legal Consultant Departments, responsible by the General Manager. A complete set of brand building and developing system is generated, and has been introduced completely into a CIS system. Each department has its complicated specialization with clear responsibility. They conduct report, maintenance and marketing promotion work regularly each year for Fusen Noble House's sequences of brands, establishing a good development mechanism and an important guarantee system for a growth of the "Fusen" brand". (TM2)
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Note: TM1~TM3 represent data from three senior managers interviewees; MM1~MM6 mean data from six middlelevel managers interviewees; EM0 shows data from common employees interviewees; SH represents various kinds of second-hand data.

4.2.1 Internal Middle and Senior-level Manager Factors

In the service brand building items of Fusen Noble House, there are 29 items on internal medium and senior management who actively participate in service brand building (see table 4-8). They usually play a leading role in building service brand of home furnishing mall, demonstrating they are the first important driving force for the case company's building its service brands. The case company's brand building is mainly driven by an active advocacy and participation by senior management with a chief form of the General Manager-oriented for service brand building, that is, normally the General Manager sets a service brand building strategy based on customers or competitors, and then departmental managers discuss with the company's senior management on contents and feasibility of service brand building. Next, the manager of the Marketing Department is in charge of brand's external communication, which would improve continuously during a brand promotion progress.

Existing literature has pointed out responsibilities of the enterprise CEO, President, and General Manager in building service brands (Aaker, 1996). In the interviews with ten relevant medium and senior-level management staff from the case company studied, nine of them mentioned the role that the company's senior management plays in brand building. For instance, one Vice General Manager of the company said that "Fusen Noble House has been very serious in what concerns brand building. The General Manager often holds meetings regarding management and business. There may have not been much discussion on brand

building by itself, but each step of the company's strategy, operation or some detailed behaviors in management or operation have always been around brand building, such as serious concerns about consumers, tenants, and studying" (TM2). All these are multiple-dimension requirements on a brand building and suggest that a brand strategy awareness of the company's senior management is very important.

All the company's employees believe that senior management's sense of achievement and social responsibility are critical for service brand building. For example, a departmental manager pointed out "the incentive of the company's brand building is from senior management's pursuit of a sense of achievement and social responsibility" (MM4). Another staff thought that "dramatic changes have taken place at the company due to the management's eyes on strategies. We have a strong sense of social responsibility, and reward to our society from every side. Our department is in charge of donations for social groups, and they are open and transparent to the public" (EM0). From the interviews, we can find it is extremely important to have senior management involved in brand building. This is because home furnishing malls are typically middle and small size enterprise with few personnel where their managements have relatively minor effects on brand building. But one thing that needs to be pointed out is that an enterprise should avoid having its brand building totally conducted by its senior management with no role for medium-level management staff and common staff, which would hurt the implementation and the carrying out of brand strategy.

4.2.2 External Customer Factors

Thirty items are about customers' participation that drives service brand building, of which there are 21 items regarding to customer information, and only nine to involvement of tenants, revealing that customers are the most important factors driving Fusen Noble House to build its service brands (See table 4-8). The company's customers include tenants and consumers. Essentially, the company's value chain is the following: Fusen Noble House - Tenants - Consumers, in which tenants are direct customers to the company, and consumers are direct customers to tenants (see Table 4-9). Therefore, Fusen Noble House runs its

operation in a pattern of "attracting tenants", a co-operative way of inviting upper-stream factories, suppliers or retailers to move in by renting stores or leasing counters with them, and next providing an official sales and estate management, and in the last collecting only rents. It is essentially a commercial real estate, a B2B2C pattern from a perspective of brand building. Though this pattern of "attracting tenants" reduced the company's capital cost pressure from its automatic purchases, and lowered its operation risk. But from another side, this method cooperation limited sharply the company's ability to control suppliers, causing a serious homogeneity problem for tenants who would face a crisis as a result of being unable to win consumers for a long time.

Table 4-9 Numbers of Different Types of Tenants, Fusen Noble House

Markets	Product features	Export factory outlet	Distributor	Agent at provincial level	Agent at city-level
Fusen Noble House Building Material Headquarter	Building material	268	160	381	161
	Household article	0	0	5	13
	subtotal	268	160	386	177
Fusen Noble House Building Material Mall	Building material	7	5	15	13
	Household material	11	74	6	26
	subtotal	18	79	21	39
	total	286	239	407	216

Source: Fusen Noble House Internal Annual report (2011).

Customers not only provide revenues to enterprises, but also contribute with their knowledge on operation, products and service to enterprises. The company's direct customers are tenants whose products are many well-known brands in China (see Table 4-10). In particular, for service brands, customers should be involved in the provision and delivery of service, because they are not only consumers themselves, but also producers, who are part of the service. Based on current literature on service brands, we anticipate an important role played by customers in brand building. In the interviews for this case company, all senior management staff mentioned customers as an important force driving a brand building. For

example, a senior management staff says "the actual merchandise sold at the market is provided by tenants, but they are also our customers at the same time. Factories are our indirect customers. Tenants are a direct source of profits to us. With recent years' continuous market expansion, tenants are also willing to grow together with the company, and they keep pace with our market building through improving their store images and supplying a variety of merchandise" (TM1). Another senior management staff mentioned "the company runs a B2B pattern in operation, and tenants also want our relationship to be a cooperative one that is realized primarily through operation, personnel communication, and an involvement in advertisement promotion" (TM2).

Table 4-10 Statistics for Product Brand Operated by Tenants

	Fusen Noble House Building Material Headquarter		Fusen Noble House Building Material Mall		Total
	Building material	Household article	Building material	Household article	
Unique brand in Southwestern China				1	1
Unique brand in Sichuan Province			9	27	36
Unique brand in Chengdu			6	8	14
National check-free product				4	4
China Famous trademark	71	1	5	13	90
China Famous Brand	37		5	13	55
Famous trademark in Sichuan Province	49		2	8	59

Source: Fusen Noble House Internal Annual report (2011).

4.2.3 Marketing Department Factors

On Table 4-8, 18 items are on marketing department's active involvement in service brand building, indicating the Marketing Department is the second most important external factor driving the company to build its service brand. Almost all employees in the interviews mentioned their roles in brand building. For example, a senior management staff said "the Marketing Department has a very direct impact on brand building. We feel intuitively the

company's changes through the Marketing Department personnel behavior, their working style and attitudes towards dealing issues" (TM1). One point is mentioned by almost everyone in the interviews, that is, the company normally relies on its Marketing Department to build brands. For example, the medium-level management staffs also said "when building brands, the Marketing Planning Department is mainly responsible for promotion design, so they play a relatively significant role in brand building. They have designers and document writers supporting market investigations which are expected to bring benefits to tenants" (MM4). The company's Marketing Department combines the concept of household articles marketing with that of introducing and promoting household articles through such activities as hosting "CHINA HONG KONG INTERNATIONAL FURNITURE SHOPPING FESTIVAL", and "American Life Culture Festival" in order to advocate a fashionable life culture and to link local cities' fashions on household articles with the global ones. Over recent years, the company hosted many large marketing activities (see Table 4-11) in addition to periodic events like "Sichuan Shower Festival" in March, "Sichuan Tile Festival" in August and "Sichuan Cupboard Festival" in September each year, fully demonstrating an important role played by the Marketing Department in building service brands.

However, the interviewees also mentioned the roles played by other departments which are consistent with current literature. "These departments have effects on brand building like Marketing Planning, Security, Operation Management and Property Management, of which the first three ones are relatively important for brand building" (TM3). It is worth noticing that the Marketing Department typically has an impact on brand building's external communication, a point that a senior management staff has mentioned "The major role of the Marketing Planning Department is to promote brands, and the company focuses mainly on markets" (TM2), which indicates limited and bordering effects of the Marketing Department on service brand building.

Table 4- 11 Large Market Activities Held by the Company Recently

Period	Hosted by	Large Marketing Activity Theme
July 2008	Chengdu Government	2008 Household article & building material theme week for shopping festival, Chengdu
July 2009	Chengdu Government	2009 Chengdu Shopping Festival
July 2009	Furniture Association, Hong Kong	2009 Hong Kong (International) Furniture Festival
September 2009	Sichuan Provincial Department of Commerce, Consulate General of United States, Chengdu	2009 American Life Culture Festival
October 2009	Commerce Department, Chengdu Government	The 10 th Western China International EXPO Venue
Jan., 2010	Chengdu Government	The Chinese New Year Shopping Festival Venue
July 2010	Chengdu Government	2010 Household article & building material theme week for shopping festival, Chengdu
July 2010	Furniture Association, Hong Kong	2010 Hong Kong (International) Furniture Festival
August 2010	High-tech Zone Management Committee, Chengdu	Credible Chengdu, tasting life at Southern Chengdu, activities to build high-quality credible business district at Southern Chengdu
August 2010	Guang Dong Furniture Chamber of Commerce	2010 Guang Dong Furniture Culture Festival
September 2010	Consulate General of United States, Chengdu	2010 American Life Culture Festival
October 2010	Commerce Department, Chengdu Government	The 10 th Western China International EXPO Venue & Western China Purchaser Conference Venue (the only venue for household article industry)

Source: Company Documents

4.2.4 Other Internal Driving Factors

(1) A multiple-function Team. On Table 4-8, there are eleven items about this team's involvement in service brand building, suggesting that this is an important internal force driving the case company to build service brand. In the interviews with ten medium and senior-level management employees of the company, five mentioned the role that a multiple-function team played in building brands. For instance, a senior management staff said "in terms of brand building, the company has an inner study group that studies not only brands, but also issues which the company faces in a management and growth process, such as service brand study, office automation, as well as some topics on industry development, internal brands and internal control" (TM1). Another senior staff pointed out "much earlier

inside the company an "Enterprise Brand Building and Developing Committee" was established which is composed of Marketing Planning, Marketing Operation, Executive Management, and Legal Consultant Departments, responsible by the General Manager. A complete set of brand building and developing system was generated, and has been introduced completely into a CIS system. Each department has its complicated specialization with clear responsibility. They conduct reports, maintenances and marketing promotion and work regularly each year for Fusen Noble House's sequences of brands, establishing a good development mechanism and an important guarantee system for the growth of the "Fusen" brand" (TM2).

Regarding the question of which staff should be included in a multiple-function team, the interviewees talked about the following points: a Vice Manager from the Marketing Department said, "the company needs to create an innovation group in order to build brands, including office staff, Marketing Planning Department, and Operation Management Department, conducted by a Vice Manager of the Office" (TM3); a manager of the Security Department thought "the company should establish a security committee under the General Manager. It should set a regulation that there should be a seminar once every month about communication between each department for security issues and about security problems, as well as work assignments. We would have less disagreement for that." The manager of the Human Resources Department mentioned "the company should organize a team across different departments. Take the company's Communist Party building work Party Construction work as one example: each department has a staff that is responsible for recording department's big events. All of these are collected and sent to the Human Resources Department, and eventually they are synthesized as the company's annual report for big events" (MM4). Obviously, we may see from the interviews that a multiple-function team needs to integrate such functional departments as Marketing, Operation, Executive, Human Resources, Security, Property Management and Finance, presenting a fact that a brand building is an issue that needs effort from each staff of the company, just as what an interviewee said "each department plays an important role in brand building" (MM3).

(2)Common employees. In the interviews, no staff mentioned common employees or the Human Resources Department as important forces driving the company to build service brands, except for one department manager pointing out that a brand reflects an enterprise's comprehensive capabilities, which requires mutual efforts from both senior management and common employees who make their largest contributions to the company with good working performance. "Departments like us are not involved in the company's making decisions which are not our responsibility" (MM1). Another department manager said "we provide training to all first-line employees like cleaners who also receive regular training. We will make them realize that their jobs are so important, and to know their responsibilities. They are urban beauticians, and ought to be proud of their valuable work. We anticipate customers could be orientated with their behaviors by cleaners' work, and simultaneously their work would bring happiness to customers when shopping at the company" (MM2).

All these suggest that common employees, no matter those serving customers or not, as well as department managers (except for the Marketing Department), play minor roles in making decisions for service brand building.

4.2.5 Other External Driving Factors

From Table 4-8, there are three items regarding the involvement of external professional agencies in service brand building, which is the second-important external driving factors and less important than the former. Current literature considers an important role played by consulting agencies in enterprises' building service brands. Because these agencies usually have consulting experiences with different industry brands, so they are the best brand management staff (Keller, 2009). But in our interviews with case enterprises, only one senior management staff mentioned their effects, "it is mainly advertisement companies that cooperate with us as a professional brand agency" (TM1), which suggests that external agencies didn't function properly when involved in a process of home furnishing mall service brand building.

Other stakeholders also participate in the process of home furnishing mall service brand building. There are two items in Table 4-8 regarding suppliers' joining in service brand building. Among the senior management staffs that we interviewed, only two mentioned suppliers' roles. For example, " (They) obtained products, funds and won support from factories through agents, and the factories directly contacted the company for a larger cooperation project. If they have better brands, the company contacted the factories directly. All there are for an ultimate purpose of enhancing competitiveness in market and of improving product structure" (TM1); "A tough, loose relationship between suppliers and the company would bring some certain customer volume, influential power, policies and products to the company" (TM2). As to competitors, there is also one senior management staff who mentioned their roles in brand building. For example "the incentive for the company to build its brand comes from market demand" (TM2). The company's major competitors are those national building material chain markets that operate household article business in Chengdu area such as Red Star Macalline, B & Q, Oriental City, as well as New Century Decoration Square, Ba Yi Furniture City which are local markets in Chengdu (see Table 4-12).

Table 4-12 Brief Introduction of the Company's Major Competitors

Market	Red Star Macalliane	New Century Decoration Square	Ba Yi Furniture City	Tai Ping Garden Family Property Square	Bai An Ju	Oriental Garden
Operation scale	Currently has a store with 100,000 square meter operation area	Currently has two stores : East Street Store with 15,000 & Gao Sheng Bridge Store with 13,500 square meter operation area	Currently has a store with 320000 square meter operation area	Currently has two stores with 220,000 square meter operation area	Currently has two stores: Ke Hua with 7600 and jing sha with 9000 square meter operation area	Currently has two stores: hong pai with 9500 and yu jing cheng with 7600 operation area

Market location	Located at No.9, Jia Ling Load, Hong Pai Lou	East Street Store located at No.49, Zi Dong Lou Street & Gao Sheng Bridge Store located at No.16, Gao Sheng Bridge Road	Located at cross-section of Third Ring Road and Chuan Zhang Load	Located at the middle section of Chuan Zhang Load, Hong Pai Lou	Ke Hua Store located at No.10, Hang Kong Load & Jin Sha Store located at No.10, Eastern Su Po Load	Hong Pai Lou Store located at No.4 section, 2 nd Ring Road and Yu Jing Cheng Store located at Western No.2 section, 2 nd Ring Road
Market positioning	Focus on whole series decoration material & household article	Focus on whole series building material	Focus on whole series decoration household article	Focus on whole series decoration household article	focus on building material tool, building & decoration material , part of household article	Focus on whole series decoration material & household article

4.3 The Process of Home Furnishing Mall Service Brand Building

Almost all interviewees believe that a service brand building process needs a certain procedures or steps. Only one staff considered it an occasional issue. Another staff said brand building cannot be planned in advance. Only when people look back on could they get a summary on the process. "It is an external environment change that mainly decides a generation of brand strategy. Since enterprises can't affect their own operation environment, but are subjected to environment, making strategies in response to its changes, so a process generating brand strategy is similar to that of species' natural selection" (TM2). However, many employees consider a brand building a controlled, conscious, detailed and official one, a similar point of view to strategic management's school of planning. Enterprises' senior management staff must take responsibility for an entire process of brand strategy, and illustrate the strategy on how to generate this process in great detail as much as possible. Strategic targets, budget procedures and various operation plans need to be implemented through a SWOT analysis (Ansoff, 1965). Through coding the first-hand and second-hand data, we collect 171 items in the service brand building process (see Table 4-13). According

to the research questions of this thesis (see Table 3-3), in the process of service brand building, the four stages, namely the brand audit, brand identity, brand positioning and brand implementation, are corresponding to 63, 14, 43 and 41 items respectively. It explains that each stage is of certain effect on the process of service brand building. To be detailed on each step at each stage, 10 steps are divided for a whole service brand building process, easily causing relatively fewer items for each step. But we still are able to judge an importance of each step.

Table 4-13 Numbers of Items and Quoted Example Words during the Process of Building Home Furnishing Mall Service Brand

Stage	Major step	No. of item	Examples of Quotation
Brand audit	Internal environment analysis	33	“The company also finds it takes brand chain operation as its source of profit. It buys land for investment to build brand household article shopping malls by itself, obtaining benefits by providing superior property and service and by increasingly boosting property values “ (TM3) “The company has five key capabilities: 1) organization ability; 2) physical material ability 3) trading ability. 4) Knowledge ability 5) ability to find and identify opportunity” (TM3).
	External environment analysis (especially government)	30	“One senior management staff went to many places in China for studying relevant markets, including Red Star Macalline (it has chain stores at more than 30 cities in China). We also make an analysis on its chain pattern, and learn their experiences. It is a leader in the industry in terms of scale and strength, but has some problems” (MM2) “Each department holds business meeting at the beginning of each year, on which a current status of entire furniture industry is analyzed. We analyze our upper-stream real estate, middle-stream decoration companies, and our customers including our competitors and factories. There is one saying that details decide success or failure. Our company’s management pays great attention to details” (MM3).
Brand identity	Brand core identity	8	“I think “Sincerely for you, trust-worth service for you” is the concept we have been advocating and expanding” (MM2) “When we talk about Fusen Noble House, we consider it a trust-worthy, reliable brand, ensuring a good quality and credibility. It is built based on such elements as strategy, future prospect, target, operation, management and service.” (TM2).

Brand identity	Brand extension identity	6	“10 times the price difference that is needed to return to customers” (which is put forward in earlier time of the company’s establishment” that has been almost rooted deeply in customers’ minds, meeting customers’ requirement for low-price, good-quality products and making them feel comfortable when shopping at our company. We also concern about brand’s extension, and many customers are returning ones. We also concern about providing services with lower-price but superior quality, and it is also what consumers have been seeking” (MM2) “North gate is mainly with the middle side, and south gate is mainly with the high end which is a supplement for north gate, actually delivering such information that you are able to buy not only economical and trust-worthy products at Fusen Noble House, but also fashionable, cutting-edge and top-grade ones. So the company is a benchmark, a rational enterprise. The north gate is mainly with price while the south gate is mainly with brand” (MM5).
Brand positioning	Select parts of content of brand identity for emphasis	12	“We mainly operate whole & retail sales (variety of products) at our North Gate Store. All various decoration building materials can be purchase for just one time, and consumers do safe shopping here. The South Gate Store is biased towards top-grade household article, making consumers to perceive international luxury brands very closely” (MM3) “We have more commodity choices with higher cost performance. Our prices are not unrealistically high, and brands are among top-rate. Although the South Gate Store is a medium-&top-grade one, it still considers price factor, setting the prices to match with value. Its positioning is focused on level-one and level-two” city (TM2).
	Customer communication	21	“I feel we are doing it whenever possible, namely, promoting our operation and service philosophy, including written advertisements expressing what we need to say, but more on how we have done that embody at each side of our work, such as set consumer complaints center, market investigation, advertisements and promotions, making consumers get benefits and achieving a double-win” (TM2). “The company is mainly using advertisements for promotion. We have invested a lot in advertisements on Commercial Daily, Western China Metropolis Daily and Chengdu Daily. Another way is group purchase which is mainly taken through affecting newly- developed real estates and communities. But reputation among consumer is the most important, and we are expecting some media to advertise our company” (MM3),

Brand positioning	Staff communications	10	” it is mainly through systematic trainings and communications within a small range to transfer the company’s brand information” (TM2). “the external staff communications include systematic trainings (on management regulations, management systems and workflows), Mr. Liu’s teachings (on the company’s future prospects, strategies and long-term plans), business seminars (participated by the company’s management) discussing about business issues involving those difficult, and those hard for decisions, as well as sometimes about the company’s strategies when doing work reporting” (MM5)
Brand implementation	selecting brand structure elements	11	“we have a uniform brand signs, including VI, CI” (MM3)
	developing coordinated marketing combinations	22	“We have about 50 staffs for marketing planning, of which 10 people for E-commerce, 5 for group purchase. They are chiefly responsible for development of communities and collection of real estate information, and thus further serve for tenants. They go to everywhere at communities, providing superior services to consumers. The tenants also respond actively to advices on markets” (MM2). ”The case enterprise set prices clearly for products within the market that are open to the public, making price tags and price contents complete, as well as price contents true and comprehensive. The product prices should not be above the prices of identical ones sold at each building material markets, professional markets and in Chengdu” (SH).
	using various auxiliaries to affect consumers’ brand association factors	8	”the official address on our orders for each merchant is No. xx, xx building, xx Community, Fusen Noble House. We use an official 5-page order of Fusen Noble House at south gate, and we also provide our complaint phone numbers to customers. Meanwhile, we are also considering printing the LOGO of Fusen Noble House on each store’s brand sign” (MM2), and “we also consider inviting regional managers and tenants to design advertisements” (MM3)

Note: TM1~TM3 represent data from three senior managers interviewees; MM1~MM6 mean data from six middlelevel managers interviewees; EM0 shows data from common employees interviewees; SH represents various kinds of second-hand data.

4.3.1 Brand Audit Stage

A process of home furnishing mall service brand building gets started from brand audit, analyzing first an external environment, and identifying external opportunities. At this stage, enterprises need to make both quantitative and qualitative analysis, and especially to define

their target customers. Enterprises need to analyze industry and environment involved. The latter elements include competitors, sector, demands, and political, economic, social and cultural ones; in particular, they need to make a detailed analysis for segmented markets of industry involved (including macro and microenvironment analysis and industry involved analysis). When analyzing environment, we in particular need to forecast the industry's prospects in the future. In the studies on the case company, two steps for brand audit stage have been mentioned. The most crucial step is the analysis on external environment, including 35 items. The analysis on internal environment, which includes 28 items, is also relatively important.

For the external environment analysis a market investigation and information collection are relatively important, which have a close relationship with customers and competitors driving service brand building. Fusen Noble House has a serious concern on market investigation. For example, a manager mentioned that "the company's employees know about trends of industries relevant to products at areas they are responsible for mainly through specific pamphlets, internet, newspaper and magazines by tenants and industries, as well as visiting periodically other markets in China to observe their statuses including their scale, brand building, customer volume and competitive status. Each week has a market investigation like WUYIER Markets" (MM5). The General Manager of the company is very much concerned with external environment analysis. For example, a Vice General Manager said that "the General Manager has made a study about stakeholders by himself" (TM2). The company also conducts on-spot environment investigations. For instance, one senior management staff went to many places in China for studying relevant markets, including Red Star Macalline, "a company that has chain stores in more than 30 cities in China. We also made an analysis on its chain pattern, and learned their experiences. It is a leader in the industry in terms of scale and strength, but has some problems" (MM2). The company has regulated its external environment analysis. For example, each department holds business meeting at the beginning of each year, on which a current status of entire furniture industry is analyzed. Also, "we analyze our upper-stream real estate, middle-stream decoration companies, and our customers including our competitors and factories. There is one saying

that details define success or failure. Our company's management pays great attention to details" (MM3).

Concerning the internal environment analysis enterprises need to evaluate its inner resources and capability in order to build a powerful brand. Because service brand building is not simply delivering anticipation to external customers, the most important is to satisfy or surpass customers' expectations. So an evaluation of enterprises' own capability benefits them in designing service brand planning and promotion. Many methods can be used to evaluate inner capability, such as benchmarking. The company in this case made a detailed analysis of its inner capability. For example, a Vice General Manager considered that the company has five key capabilities: "1) organization ability; 2) physical material ability; 3) trading ability; 4) knowledge; 5) ability to find and identify opportunity" (TM3). Meanwhile, the company analyzed its inner resources. For example, the company has three key resources: 1) actual material resource: the company not only has a professional management team with over 400 people, but also has more than 2600 tenants and about 10,000 well-known household article brands; 2) strategic real estate resource: the company has about 700,000 square meter of commercial markets, which are solely for renting out; 3) brand resource: the trademark of Fusen has been well-known one across China. Fusen Noble House has been a famous company in Sichuan Province, enjoying a good reputation in the industry (SH).

With an analysis on the internal environment, the company also finds it takes brand chain operation as a source of profit. "It buys land for investment to build brand household article shopping malls by itself, obtaining benefits by providing superior property and service and by increasingly boosting property values as well as taking brand export management as the company's source of profits. Within the system of brand chain operation, the company will obtain benefits by realizing a labor specialization based on the industry's value chain and by exporting brand and management to household article shopping malls with certain size and location" (TM3).

4.3.2 Stage of Brand Identity

For this stage, Table 4-13 shows less than 10 items corresponding to brand's core value and extension identity, suggesting that brand identity stage has a smaller impact on a whole process of service brand building.

At the stage of brand identity, what is required for an enterprise to determine first is a brand's core meaning, and which elements or contents it needs to build a brand. It must decide whether it should put more emphasis on functional or symbolic demands. The former is extremely important for a service brand, which is different from a tangible product brand. Therefore, brand definition should be based on perception or promise about brand. On a basis of brand audit, extracted from a high degree of differentiations, brands' core values need to be clear, deterministic, easily perceived, inclusive, and be able to touch consumers' inner world. Once core values are set, they need to be throughout an enterprise's whole operation activities during a promotion process. For example, for the enterprise in this case consists in a process of "shopping guide (consulting) - design (personalized) – customization (purchase) – delivery (installation) - customer service (after sales)" in order to maximize values (SH) provided to customers. One Vice General Manager mentioned its brand's core identity idea, "when we talk about Fusen Noble House, we consider it a trustworthy, reliable brand, ensuring a good quality and credibility. It is built based on such elements as strategy, future prospect, target, operation, management and service" (TM2). In addition, another departmental manager thinks "the company mainly transfers a concept of a trustable brand to customers who guarantees quality and has a competitive price such that customers feel our brand economical and well-known" (MM5).

Regarding brand extension identity, the case enterprise identifies brand's expansion. For example, a manager considers. The slogan "if you find price higher here, we return you ten times of the price difference" is brought forward at the very beginning of the founding of the company, and it has been basically rooted among people. The slogan is proposed to meet customers' expectation of less expensive but high quality goods, making them feel it trustworthy to shop in Fusen Noble House. We are concerned about brand's extension, and many customers are returning ones. We are also concerned about providing services with

lower-price but superior quality, and it is also what consumers have been seeking” (MM2), indicating that the company has identified price as a benefit factor. Due to an expansion of the company’s scale, such identification is crucial for new markets. For instance, “products at the north side of the city are mainly those of the middle class, and those at the south side are mainly those of the high end and a supplement for north gate. We are actually delivering information that you are able to buy not only economical and trust-worthy products at Fusen Noble House, but also fashionable, edge-cutting and top-grade ones. So the company is a benchmark, a rational enterprise. It is all about prices at the north side while the branded ones can be found at the south” (MM5).

4.3.3 Stage of Brand Positioning and Statement

A brand positioning refers to business decisions for specific brands in terms of cultural orientation and personality difference, based on enterprises’ marketing and product positioning, a process and outcome of brand image building related to target markets. A brand positioning is to set an appropriate position in market for one specific brand, making its products special to consumers who would come up with this brand immediately once they have certain demands. A stage of brand positioning statement includes selecting from brand identity contents the parts to put emphasis on, and to communicate with customers and staffs. These steps have been mentioned many times in the interviews, corresponding to 12, 21, and 10 items respectively (Table 4-13), which are key steps at this stage and may be explained as follows:.

(1) Choose some parts from brand identity contents to put emphasis on. The core value of the case enterprise’ brand is “Sincerely for you, trust-worthy service for you”, which has been mentioned by many interviewees. For example, “I think “sincerely for you, trust-worth service for you” is the concept we have been advocating and expanding” (MM2). Another departmental manager said “when we talk about Fusen Noble House, we consider it a trust-worthy, reliable brand, ensuring a good quality and credibility. It is built based on such elements as strategy, future prospect, target, operation, management and service.” (TM2).

(2) Customer communication. In Table 4-13, this theme has the largest number of items for a stage of brand positioning statement, totally 21, suggesting that the company puts much

emphasis on communication with customers. For instance, one senior management staff pointed out “I feel we are doing it whenever possible, namely, promoting our operation and service philosophy, including written advertisements expressing what we need to say, but more on how we have done that embody at each side of our work, such as set consumer complaints center, market investigation, advertisements and promotions, making consumers get benefits and achieving a double-win” (MM2). The case enterprise uses various media to communicate with customers, such as “the company is mainly using advertisements for promotion. We have invested a lot in advertisements on Commercial Daily, Western China Metropolis Daily and Chengdu Daily. Another way is group purchase, which is mainly taken through affecting newly-developed real estates and communities. But reputation among consumer is the most important. And we are expecting some media to advertise our company” (MM3), as well as “some ways to communicate with customers including media, and person-to-person (tenants, consumers and store staffs)” (TM2).

(3) Staff communication. The enterprise in this case has also been concerned about internal communications. First, the General Manager took actions to set an example for the staff, such as “the General Manager, also has received training and lessons regarding loyalty and good reputations. He makes the staffs to receive these concepts” (TM2). Regarding external communication, “it is mainly through systematic training and communication within a small range to transfer the company’s brand information” (TM2). Another departmental manager pointed out “the external staff communications include systematic training (on management regulations, management systems and workflows), the General Manager’s teachings (on the company’s future prospects, strategies and long-term plans), business seminars (participated by the company’s management) discussing about business issues involving those difficult, and those hard for decisions, as well as sometimes about the company’s strategies when doing work reporting” (MM5). Some departments have created new external communication ways combining their functions. For example, “the Security Department mainly takes superior-subordinate communications, and communications through routine meetings of squads and teams, old employees teaching the new ones, and talking among staff, as well as trainings at least once each week (following a principle of supplementing what has been lack of), the company’s training (mainly on law and regulations,

the company's rules and regulations, and safety), and twice annually, fire training which is held by the Security Department to tenants. The case enterprise has also regulated external communications. For example, "the company teaches staffs such brand concepts at our business seminars (business departments and the company's management) and year-end conferences" (MM2).

4.3.4 Stage of Brand Implementation

At this stage, 11, 32, 8 items correspond to factors of choosing brand structure elements, developing coordinated marketing combinations, and using various auxiliaries to affect consumers' brand association respectively (Table 4-13), of which coordinated marketing combinations are the most important. Each one of these items will be detailed next.

(1) Selecting brand structure elements. In terms of this point, the company has specifically set what one manager from the Marketing Planning Department mentioned "we have a uniform brand signage, including corporate identity system, visual identity" (MM3). See Attachment 4-4 for the company's explanation on "LOGO".

(2) Developing coordinated marketing combinations. They are import tools and means for a company' developing and building service brands. For the case enterprise, these combinations are realized mainly through a company's marketing management system, which includes: "1) Marketing design: for different categories of products, Fusen Noble House cooperates with tenants to design specific marketing promotions; 2) Advertisement design: the company provides free advertisement designs for each move-in tenants, leading more tenants to join in the market's overall activities; 3) Marketing strategy: in order to display scale and conglomeration effects, the company has implemented powerful marketing strategies from the very beginning, collecting all advertisement resources in the market, and promoting intensively at each large media after integration; 4) Factory alliance: the company has not only controlled firmly distributors' operations, but also allied closely with upstream-product factories, strengthening mutual values, and generating a tri-entity to mutually enhance brands growing together with market.

Regarding human resources assignment, the company is strong at this side. For example, “We have about 50 people for marketing planning, of which ten people for e-commerce, five for group purchase. They are chiefly responsible for development of communities and collection of real estate information, and thus further serve for tenants. They go to everywhere at communities, providing superior services to consumers. The tenants also respond actively to advices on markets” (MM2).

The company is particularly concerned about brand promotion with integration expansion theory. For example, “the ways of the company communicating with customers includes many forms: front desk customer services, inquiry phones, complaint phones and consultation at district offices” (MM5). One staff evaluated effects of marketing combinations, “the company’s advertisement and marketing promotion has deeply touched consumers” (MM1).

The case enterprise set prices clearly for products within the market that are open to the public, making price tags and price contents complete, as well as price contents true and comprehensive, and “product prices should not be above the prices of identical ones sold at each building material markets, professional markets and in Chengdu” (SH). For merchandise prices, the case company guarantees that the actual prices of merchandises sold at the market would not be more expensive than the prices of the identical ones sold at other markets in Chengdu at the same time” (SH). For brand integration expansions, the company integrates each large media’s and all move-in tenants’ brand resources to take one official promotion, design and expansion. “Each year, the company hosts periodically large marketing promotion activities such as “Flooring Festival, Sanitary Ware Festival, Illuminations Festival, Wooden Doors Festival, Wall and Floor Tiles Festival, Stairs Festival”, and also carries out large shopping activities as well as regional and international culture exchange activities of home life depending on government platforms, creating a new marketing pattern unique for Fusen Noble House which has boosted significantly its market awareness and popularity” (SH).

The case company has also generated an online shopping center, “replicating the whole home furnishing mall on internet to provide consumers with a 24-hour exhibit and deal platform. We introduced new technology and set a three-dimension virtual showroom for

products on the website, which we called 360-degree, three-dimensional virtual showroom” (SH), in order to realize consumers’ 24-hour shopping online comfortably, as well as experiencing effects of home life, and to provide service on online booking, products, ordering and dealing with.

(3) Using various auxiliaries to affect consumers’ brand association factors. The case company uses all auxiliaries to affect consumers’ brand association factors to build service brands; in particular, it pays great attention to build a brand alliance with suppliers and customers. For example, “consumers agree on the brand of Fusen Noble House. With hundreds and thousands of brands at our markets, consumers come to shop just for the sake of Fusen Noble House, not for a certain brand for a certain decoration building material” (MM2). To be detailed, the case company builds its brand equity through the following auxiliary paths, for example “the official address on our orders for each merchant is No. xx, xx building, xx Community, Fusen Noble House. We use an official 5-page order of Fusen Noble House at the south side of the city, and we also provide our complaint phone numbers to customers. Meanwhile, we are also considering printing the Logo of Fusen Noble House on each store’s brand sign” (MM2), and “we also consider inviting regional managers and tenants to design advertisements” (MM3). The case company has created a direct-line double-win pattern of “factory/market/operation merchant alliance, brand uniform operation and integration marketing”.

(4) Service delivery (transfer). An implementation of service brand building may be divided into two big parts: one is communication, and the other is service delivery. But for service, these two parts are related to each other very closely, and cannot be separated from each other, which is different from tangible product brands. Due to service’s many contacts, these “real instances” are paths to transfer service brand images, so service enterprises are very tough in controlling brand communications. However, they may control service delivery (transfer) content and quality.

The case company delivers the service primarily through its operation management system, which includes:

a) Construction of trading places: providing all-round a comfortable, transparent, and

safe business transaction environment for customers from various social classes through building high-standard, top-graded markets like Fusen Noble House Decoration Building Material Market, the International Fusen Noble House Household Article Mall, and Xing Du Auto Parts Mall, as well as through promoting online shopping mall with every effort such as Fusen Noble House Online Shopping Mall for Household Article, Group Purchase.

b) Home furnishing mall of commercial tenant type management: based on the concept of “Attracting the large and the strong for cultivation and development”, continuously selects superior brands and tenants to move in, making the market operation and development completely in accordance with the company’s overall positioning.

c) Market operation management: supplies all-round management and service to all move-in tenants by organizing professional service groups which are familiar with commodity operation, marketing promotion, commodity quality, as well as familiar with the country’s law and regulations and policies on commodity management, making the whole market well-organized, active and energetic.

d) Market property management: builds fully an excellent purchasing environment by organizing a professional property management team involving security, cleaning, maintenance and repair, and greening coverage.

The case company “provides a superior sales and post-sales service, and has three guarantees for commodities with a free delivery service within the Third Ring Road” (SH) in terms of a guarantee for quality of service delivery.

4.4 Regarding a Guarantee System for Home Furnishing Mall Service Brand Building

Founding on the research questions of this thesis (see Table 3-3), we collect, through coding the first-hand and second-hand data, 161 items of guarantee mechanism in the process of service brand building of Fusen Noble Houe. Among them, 62 are relevant with the company’s strategy, 45 with the company’s culture, 39 with the company’s team, and 15 with the company’s stimulation system.

Table 4-14 Items and Quotation Examples of Guarantee System for Fusen Noble House Service Brand Building

Level	No. of item	% of No. of service brand in total items	Example for quotation
Company strategy	62	46.91%	“we have paid serious attention to the enterprise brand development ever since its establishment. From the very beginning we have the "Fusen" brand's creation, maintenance, operation and growth included into the enterprise's medium- and long-term developing strategy planning, as the main outline and soul for the first and second 5-year strategy planning set by the enterprise. Prior to the planning, the enterprise has made a detailed plan for the enterprise's brand development as a single section, making clear about a primary task at each phase, and taking brand as the first thing to be dealt with" (TM2). “The company also has a clear planning for its brand developing target. For example, "regarding the company's five-year development strategy target, it will construct four brand chain household article building material markets, three to five of such markets in the B-level cities within the province, three of such markets in the capitals outside the province, and the enterprise aims to be listed at the A stock market in China" (SH)
Enterprise culture	45	36.52%	“The company’s culture includes the following meanings: first, enterprises need to have a sense of responsibility that is responsible for local residents, governments, staffs, and shareholders, which is embodied on detailed work like paying taxes according to law, paying staffs wages regularly, paying pension, birth, unemployment, occupational injury, and medical insurances and housing provident funds, and providing value-added service to tenants. The company has always been advocating healthy and active consciousness such as organizing some beneficial activities, but the most important is to have a healthy thought. Also, the company did some work in supervision and controlling” (TM2) “The company has the most impressive philosophy that is a high consistence in the company between the low- and high-level staffs. The company has created a stable work environment for the staffs. We provide very good benefits to the staffs in terms of their insurances. According to law, we pay staffs wages regularly, paying pension, birth, unemployment, occupational injury, and medical insurances and housing provident funds. Our senior management is very professional and hard working. They also communicate actively with staffs on wage problem. We adjust the staffs’ wage with a rising price and increase of living cost ” (MM2)

Company team	39	37.75%	“The company’s senior-level management generates a thought of keeping studying and innovation. The General Manager of the company and other senior management staffs have MBA degrees, ensuring a high quality for the company’s senior management staff team, and providing a guarantee with human resources for the company’s strategy facilities” (TM2). “The company has a short meeting held by the General Manager on a regular Monday each week basis according to the system, at which a few Vice General Managers and General Manager do reports about important events. The company’s senior management staffs have improved a lot theoretically in terms of organization building, and study at universities based on practical principles” (TM3)
Incentive mechanism	15	6.67%	“The primary incentive is a spiritual one in terms of brand building with the material one as the minor incentive. In terms of spiritual side, the company lets staffs to recognize the company voluntarily through such ways as daily work arrangements, staff’s caring about, enterprise’s growth and establishment of professional career path, maintaining the enterprise’s influences outside with staffs’ behaviors, thoughts and actions “ (TM1) “The material or spiritual incentive provided by the company to the staffs has not been enough” (TM2)

Note: TM1~TM3 represent data from three senior managers interviewees; MM1~MM6 mean data from six middlelevel managers interviewees; EM0 shows data from common employees interviewees; SH represents various kinds of second-hand data.

4.4.1 Company’s Strategy

In terms of the company strategy, 46.9% of 62 items are relevant to service brand building. The General Manager of the case company pointed out that "we have paid serious attention to the enterprise brand development ever since its establishment. From the very beginning we have the "Fusen" brand's creation, maintenance, operation and growth included into the enterprise's medium- and long-term developing strategy planning, as the main outline and soul for the first and second 5-year strategy planning set by the enterprise. Prior to the planning, the enterprise has made a detailed plan for the enterprise's brand development as a single section, making clear about a primary task at each phase, and taking brand as the first thing to be dealt with" (TM2). This indicates that during the case company's growth process, its brand strategy has always been the focus of the enterprise's operation strategy.

The case company hopes to construct its competitive advantage with service brand. For instance, the "Blue Ocean Strategy" of the "Fusen Noble House" is to surpass an industry competition and generate a brand new market, bringing a value-added leap for the enterprise and customers with "value creativity", leading the enterprise to completely get rid of its competitors and carry out Fusen Noble House's brand strategy" (SH). The company also has a clear planning for its brand developing target. For example, "regarding the company's five-year development strategy target, it will construct four brand chain household article building material markets, three to five of such markets in the B-level cities within the province, three of such markets in the capitals outside the province, and the enterprise aims to be listed at the A stock market in China" (SH), as well as "the company's target of the ten-year developing strategy is to own five-ten brand chain household article building material markets at B-level cities within the province, five to ten of such markets in the capitals outside the province in China, and a total of over twenty brand chain household article building material markets in China after 10 years" (SH).

The company's service brand strategy has obtained agreements from the staff. For example, a Vice General Manager of the company believes that "the company has a much clear thought about its overall growth through summarizing and analyzing the market for recent two years. In particular, the company's long-term development strategy prospects have already pointed out its direction: we are going to build a hundred-year-long market around which many of our fundamental work have been doing. From the perspective of the company's future growth, we have full confidence for it "(TM2). Plus, the company's brand strategy also has been acknowledged by the tenants. For instance, "the company's strategy focuses on its brand building. Some factories in Guangdong Province require that if Fusen Noble House would like to be its brand's general wholesale agent, it must have its own stores" (MM3). All these show that service brand building plays an important role in the overall strategy of the company, which is also a strong guarantee for Fusen Noble House to build its service brand guarantee mechanism effectively. In the interviews, the company's greatest concern about service brand building and further obtaining value and competition advantages for permanent customers gets tested. All ten medium and senior-level

management staff interviewed mentioned that "Fusen Noble House's organization prospects are striving to be among the first-rate and to build a hundred-year-long market".

4.4.2 Company Culture

In terms of the company's culture, Table 4-14 shows that 36.5% of 45 items are relevant to service brand building. The operation philosophy of Fusen Noble House is "based on honesty, taking service above any other things, integrating for advantages and creating new brand" (SH). "The basic principles of the enterprise include being loyal to it" (SH), "a team spirit means supporting and connecting to each other, cooperating sincerely, improving continuously and taking high effective actions" (SH). The company's enterprise spirit affects staff behaviors. For example, "market has frontier, but service not", which is a belief we need to remember well. We constantly seek obtaining benefit from quality, and build our brand with service". We will be among national well-known brands by collecting all staff's wisdom and building our brands, building Fusen Noble House a commercial aircraft carrier that will never sink" (SH). This shows brand is very crucial to the company's operation philosophy.

The interview results show that all employees thought the company has already its strong enterprise culture, and they regard service brand as emphasized the most in the company's enterprise spirit. Service brand has penetrated into the company's enterprise culture, providing a good atmosphere for encouraging service brand building. But the interviewees have individual understanding on the important part of enterprise culture, which is different from each other. For example, a Vice General Manager said that "the company's culture includes the following meanings: first, the enterprise needs to have a sense of responsibility that is being responsible for local residents, governments, staff, and shareholders, which is embodied on detailed work like paying taxes according to law, paying wages regularly, paying pension, birth, unemployment, occupational injury, and medical insurances and housing provident funds, and providing value-added service to tenants. The company has always been advocating healthy and active consciousness such as organizing some beneficial activities, but the most important is to have a healthy thought. Also, the company did some work in supervision and controlling" (TM2). Another department

manager pointed out that “the company provides a fair competition platform for the staff. As long as the staff has ability, the company will offer a platform to match his/her ability. The company is concerned mostly about ability. The company also has a strong cohesiveness with good working cooperation between departments. The company cares greatly about studying, committing to generating a study-type enterprise. The company is against embezzlement as hurting the company’s benefit and should be valued above everything else. A staff needs to learn how to be an upright, frank person” (MM5). Another department manager described features of the enterprise culture with combining the function such as “the company culture’s features include the following parts: first, the company is not limited to just one type when selecting workers. My co-workers include some people with only high-school diplomas, also including me, and those who received a lower level of education than me. Second, staff needs to possess both political integrity and ability, and the company puts the former at the first place, requesting staff to be aggressive. Another thing is an innovation spirit by the senior management of the company, who needs to be down-to-earth, pragmatic and seeking truth (take an on-spot investigation in person), and to struggle hard. The senior management often talks with the staff, presenting a humanistic care about people. In terms of benefits, the company ensures to pay the five insurances and the funds. The company strictly obeys the country’s regulations. We also have vigorous overtime regulation. One primary income source of the company is leasing, but it is not the highest one given our current status. Our leases are not the most expensive. Our staff’s benefits are the medium-level within the industry. We also offer staff an adequate democratic right. Plus, the company keeps innovating and pursuing and is never satisfied with its current situation” (MM1).

All interviewees mentioned a strong cohesiveness. For example, “the company has the most impressive philosophy that is a high consistence in the company between the low and high-level staff. The company has created a stable work environment for the staff” (MM2), as well as “the company’s enterprise culture is improving continuously. It values working as a team with good faith. Now it has a higher requirement for staff given its growth so far. It has higher requirements for human resources’ qualities, morals and knowledge. There exists a positive, working as a team and studying atmosphere in the company, which is also

advocating innovation. It is against sectorism, but this phenomenon is somewhat still existing” (MM3).

The company carries out many activities regarding system and behavior of enterprise culture. For example, “the company offers trainings to staff and tenants (primarily through providing some value-added service, boosting the company’s image and culture. We may offer some training to staff and tenants on legal knowledge and product knowledge (regarding tile production, we may introduce its production procedures, and cultural background), trying the best to have people to study” (MM4). The case company has established a good atmosphere of keeping studying through offering trainings to customers (namely the tenants) and the company’s internal staff”(see Table 4-15).

Table 4-15 Company’s Customers and Internal Staffs Training Information 2008-2010(parts)

Time	Instructor	Training Topic	Training Target
2008			
March 20	Jianhua Liu	Implementation capacity for management team	Company staff
April 18	Jingqi Wang	Four reasons why customers will buy your products-- Know the competitors and know yourself, and you can fight a hundred Battles without defeat	Tenants for North Gate Store
June 20	Yi Liu	help each other, and work together for the same target-rebuild our homeland	Company staff
September 25	Baolong Wu	From the event of milk powder polluted by tripolycyanamide to see through quality of building material for furniture	Company staff
October 9	Junyan Li	Flexible operation performance for distributors	Tenants of North Gate Store
November 3	Yong Wu	How to deal with financial crisis	Tenants of North Gate & 1 st South Gate Store
December 8	Hua He	Break sales bottleneck at downturn economic time	Tenants of North Gate & 1 st South Gate Store
2009			
March 19	Ligang Li	A road for Fusen Noble House tenants to be wealthy	Tenants of North Gate Store
April 15	Jing Wang	opportunity & challenge in 2009	Tenants of North Gate Store
May 6	Wei Li	How to turn commodity into money	Tenants of North Gate Store
August 26	Zhifan Zhang	Sales at channel terminal--winning at terminal	Tenants of North Gate Store
September 18	Yanmu Cheng	change in furniture industry& innovation strategy practice	Tenants of North Gate Store

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September 23	Yanguang Wang	Comments on how to improve household article store's operation performance greatly	Tenants of North Gate Store
November 9	Xiaoyong He	Communicating experience in building , hygiene and ceramic industry	Company staff
November 20	Run Hou	Current status & growth trend for E-commerce	Company staff
December 23	Mingping Mei	Performance for the terminal point & operation check	Tenants of North Gate Store
December 29	Lan Shi	Sales face to face- sales communication	Tenants of the 1 st South Gate Store
2010			
January 20	Guangjian Cheng	sales game	Tenants of North Gate & 1 st South Gate Store
June 28	Changle, Zhao	How to make successful sales	Tenants of North Gate & 1 st South Gate Store
July 28	Wei Cui	Step by Step for win-consultant type sales way	Tenants of North Gate & 1 st South Gate Store
August 25	Changlei Zhao	Secret of sales for building material & household article stores	Tenants of North Gate & 1 st South Gate Store
September 20	Qichao Zhang	Lupine sales	Tenants of North Gate & 1 st South Gate Store

Source: Company'S Documents

Enterprise culture also presents itself through material side. For example, the case company offers tangible ways for building enterprise culture by establishing its internal journals (Attachment 4-5). For instance, the company “published its internal journal “the Fusen”, providing a platform to promote enterprise culture and brand” (TM3). In addition, the company also compiles and edits “Staff Manual”, recording enterprise culture such as “we have our enterprise culture on our employee manual and the company’s internal journal which constantly updates information. The company shows a spirit of highly united and being able to endure hardship. All employees cooperate for the company’s benefits. Between each department, and within departments, there is a strong cohesiveness, working for the company’s target with mutual efforts. Our employees work carefully, and are able to endure hardship, creating a good atmosphere in the company. Recently when the second phase started, our staff kept working for one month, sticking to their jobs” (MM4).

Meanwhile, the company basically adheres to the principle of a learning organization, and takes the effects of studying and its practical value seriously. For example, one manager mentioned “the company advocates that staff needs to study by themselves (obtain licenses / diplomas, studying out of working time). Many employees in the company are now studying for qualification certificates with a strong studying atmosphere inside the company. The company also holds sports meetings like table tennis and badminton games to remind employees to having a healthy life. During a speech at the company’s 10th anniversary (“My growing up with the Fusen”), what impressed me the most is an employee presentation, telling a story about how the company has changed him a lot in his life and many other parts, a process of his wage increasing from the initial 800 RMB to over 3000 RMB which is very touching” (MM4). The company is also at the forefront of sending its medium and senior-level management staff to study at economics and management schools in many universities to obtain advanced management knowledge. They also invite Atkins, a world-famous research agency, to spend one year in finishing a plan to upgrade the whole company. All these actions are leading behaviors for the home furnishing mall industry in China, boosting scope of the senior-level management staff and expanding new pathes for service brand building.

4.4.3 The Company Team

Regarding the company’s team, in Table 4-14, 37.7% of 39 items are relevant to service brand building. “The company’s senior-level management generates a thought of keeping studying and innovation. The General Manager of the company and other senior management staff have MBA degrees, ensuring a high quality for the company’s senior management staff team, and providing a guarantee with human resources for the company’s strategy facilities” (TM2). For the household article industry in Western China, this team has a high quality. Meantime, the company’s staff, particularly the senior managers’ innovation and learning as well as their never allow failure spirit are other obvious features. The company continuously endeavors to consolidate a system for team building, for example, “the company has a short meeting held by the General Manager on Monday each week regularly according to the system, at which a few Vice General Managers and the General Manager report about

important events. The company's senior management staffs have improved a lot theoretically in terms of organization building, and are studying at universities based on practical principles". In terms of team building system, the company insists on the principles of selecting staff that are chosen for both ability and integrity, and those who learn and study. It also selects, hires and assesses staff on the basis of "fairness, justice and openness", which created a progressive, highly efficient team at the same time of providing a superior human resource team." (SH).

Therefore, Fusen Noble House is greatly concerned on the effect on the team of its service brand core value.. The team members have already generated relatively strong service brand awareness. The team is capable, and also willing to carry out service brand building activities, providing a good guarantee mechanism for differential service brand building. Just as one manager has summarized "we need to manage well a team with the key of innovation, solving detailed problems regarding management and development with new knowledge, idea and technology. Its core is self-discipline, that is, each management staff needs to resist various temptations, presenting a good professional quality with right views of value and career and a loyal, professional spirit. The importance is setting himself/herself as a good example, able to strive to be the first to do the work, willing to dedicate himself/herself , and good at instructing and helping the subordinates to realize mutual growth" (SH).

4.4.4 Incentive Mechanism

In terms of incentive mechanism, Table 4-14 shows that only one of fifteen items is directly related to service brand building. Overall, though the case company has a good wage system - for example, up to December 31, 2010, there were three wage adjustments in the whole year - and the average wage increased 17.11% compared to the same time of the previous year with 128 employees talking to the Human Resources face to face within the year, among which 33 obtained promotion, and five people earning rewards. (SH). One employee mentioned that, "in terms of material incentive, the company offers wages and benefits higher than those in the same industry by an average of 10% to 20%", making the companies in the same industry regard the company as a good example. On even ground, promotion in

management position should preferentially given to security staffs, so as to provide them with the space for personal development. In terms of spiritual incentive, there are incentive ways such as encouraging joining in the community party (MM6). The case company has no specific incentive policies for management or common employees service brand building activities: “the primary incentive is a spiritual one in terms of brand building with the material one as the minor incentive. In terms of the spiritual side, the company lets staffs to recognize the company voluntarily through such ways as daily work arrangements, staff’s caring about, enterprise’s growth and establishment of professional career path, maintaining the enterprise’s influences outside with employees’ behaviors, thoughts and actions demonstrated by what the management has emphasized that doing a job is not only for material rewards at Fusen Noble House” (TM1).

Common staff usually thinks that their major duty is to do their own job well, showing that they have not yet understood well on service brand building strategy, but in fact doing one’s own job well is just building the company’s brand. The company also gives material rewards to those employees who actively offer their suggestions and who perform well for their basic work. If employees have abilities at all sides, they are likely to have position promotions. The company generally will prefer internal promotions rather than selecting newcomers to a management position (MM5), reflecting the primary force driving Fusen Noble House that to build service brand is everybody’s responsibility.

4.5 The Home Furnishing Mall Service Brand Equity Status

Value of service brand, a unique power for brand to affect market, is normally measured by brand equity, which is a core of service brand. Powerful service brand equity is capable of offering service enterprises with a lasting competitive advantage. Therefore, the issue of service brand equity has received more and more attention both academically and industrially in China and overseas.

Relying on its own advantages, Fusen Noble House has produced great impact in Chengdu, Sichuan and even in Western China region through its powerful marketing activities. It has earned a high degree of popularity among consumers. There are widespread

advertisements for the company known as “The cheapest way to buy building materials for decorating new homes is to buy them at the Fusen’s wholesale market”. The company has been not only a necessary place for consumers to buy decoration materials, but also an important channel through which those building material distributors at -two and level- three cities to buy these materials. According to brand equity evaluation way in foreign countries, this thesis makes a comprehensive evaluation on Fusen Noble House’s service brand equity based on such indicators as market share, brand popularity and reputation, service quality perceived, satisfaction about service employees and enterprise honors. These factors will be analysed below.

(1) Market share. Attracting-merchant building material market remains dominant in China, including traditional large attracting-merchant building material market and chain attracting-merchant building material market, accounting for 95% total building material market. The company in this study is a leading one within the industry in Sichuan region by insisting on operation strategy of “differentiation operation, chainization management” and idea of concentrating in core area and then expanding steadily. Since its North Gate Store opened in 2002, it has realized fast-copy of operation pattern with a high growth in market operation revenue. In 2011, the market operation revenue is 230 million yuan. Now the company has started a new item construction of No.3 South Gate Store, and will establish the new No.2 North Gate Store, basically completing its strategic intensive layout for north and south commercial belts in Chengdu. According to statistics from China Building Material Circulation Association in 2011, the company finished a trading value that ranks No.1 in Sichuan area between 2008 and 2010.

Table 4-16 Annual Operation Revenue for the Market, 2000-2011

year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Operation revenue (10,000 yuan)	Under construction		4961	5788	6354	7134	8038	8510	9640	10789	19855	22931

Source: Fusen Noble House Internal Annual report (2000-2011).

In terms of the entire Sichuan regional market, the company has earned a leading position in the market. However, in terms of the entire market volume, some Eastern and Northern parts of Chengdu, and some secondary cities in Sichuan have great potential expansion space and developing capacity such as Mian Yang, Nan Yun, Pan Zhi Hua, and Zi Gong. In the future for two or three years, the company will focus on Sichuan and expand market by insisting on its consistent development strategy, develop in depth across regions, and commit to maintaining its leadership in the regional market, as well as expand outside when possible. According to Fusen Noble House's market study statistics, by the end of June 2011, the company has accounted for 65% of the wholesale and 30% of the retail sale building material markets in Chengdu area. We have analyzed the current status and future prospects of the company together with its competitors, and we believe that, with a market positioning as a comprehensive attracting-merchant building material market, the company will keep its leadership in the decoration building material market in Chengdu in the future.

(2) Enterprise honors. The company's brand building has achieved greater performance, and won many positive comments from national and provincial government officials when they visited the company. It has earned many honors such as "Advanced Circulation Enterprise in Sichuan Province" and in March 2008, the brand "Fusen" was honored "China Famous Trademark" (see attachment 4-6), the only one in the industry that obtained this honor. In 2009, Fusen Noble House was awarded "Sichuan Well-known Service Brand" by Sichuan Provincial government, which is an award granted to wholesales and retail sales industry (see attachment 4-7). In December 2010, the company was awarded "Asian Furniture Leadership Awards 2010, AFLA0, the only one with such honor among China's home furnishing malls.

(3) Brand popularity and reputation. The company's brand "Fusen" has earned consumers' high degree of loyalty in the market. Take its North Store as an example: by the end of 2010, it has a total of 637 tenants with operation years more than five, accounting for 62.88% of tenants operating regularly at North Store. In the terms of renting ratio of stores, all markets belonging to the company have always been in large demand with not only the North Store and No.1 South Store and the Fusen Auto Parts Market but also its newly open No.2 South Store have realized 100% renting ratio. In addition, the company's markets have been

providing many employment opportunities for the society since establishment (Table 4-17), preparing foundations for the company to take social responsibilities and realizing its social values.

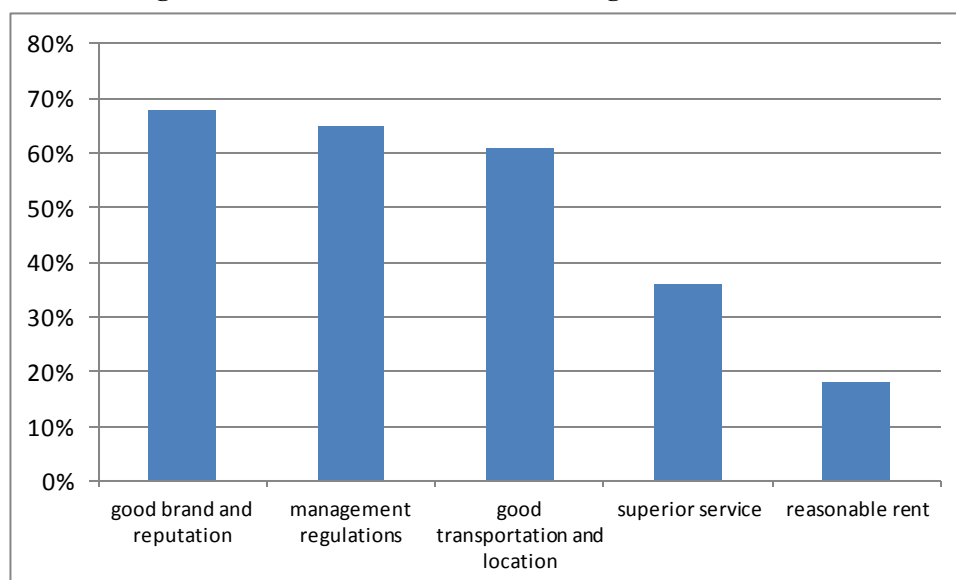
Table 4-17 Number of Employees Working in the Malls

year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
No. of employees	Under construction		5931	7894	8923	9786	11698	12987	18394	20189	25985	28671

Source: Fusen Noble House Internal Annual report (2000-2011).

For the purpose of this thesis we have conducted surveys to the company's tenants using "brand and reputation" as indicators measuring brand popularity and reputation. Based on the results (shown on Figure 4-5), over 65% tenants selected the company due to its great brand and reputation, suggesting that market brand and reputation are the crucial factors for tenants choosing which building material markets to move in. Good geographic location, large scale and convenient transportation are basic conditions for being a good building material mall.

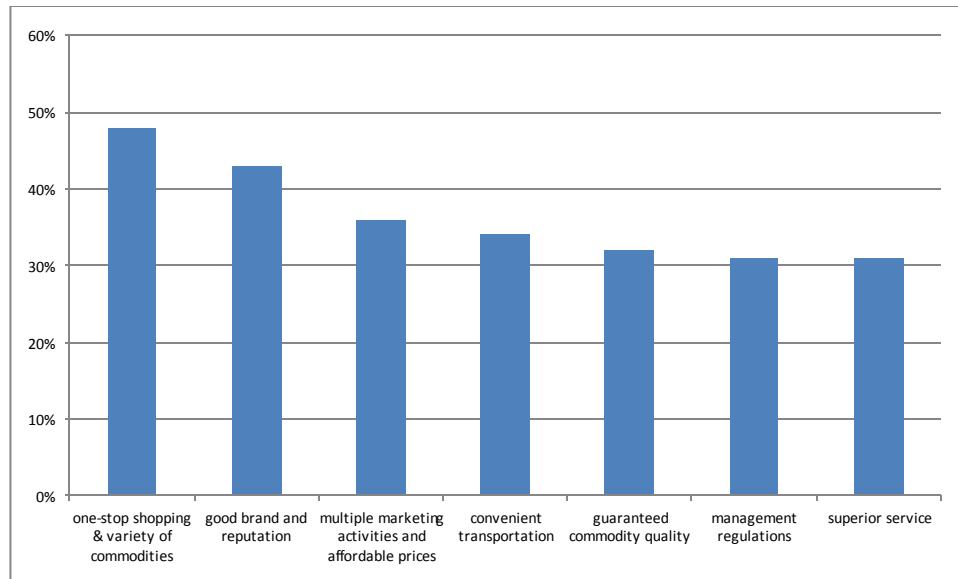
Figure 4-5 Reasons for Tenants Selecting Fusen Noble House



Meanwhile, we also conducted a survey to the company's consumers. The results show that consumers pay more attention to shopping convenience when they choosing to buy

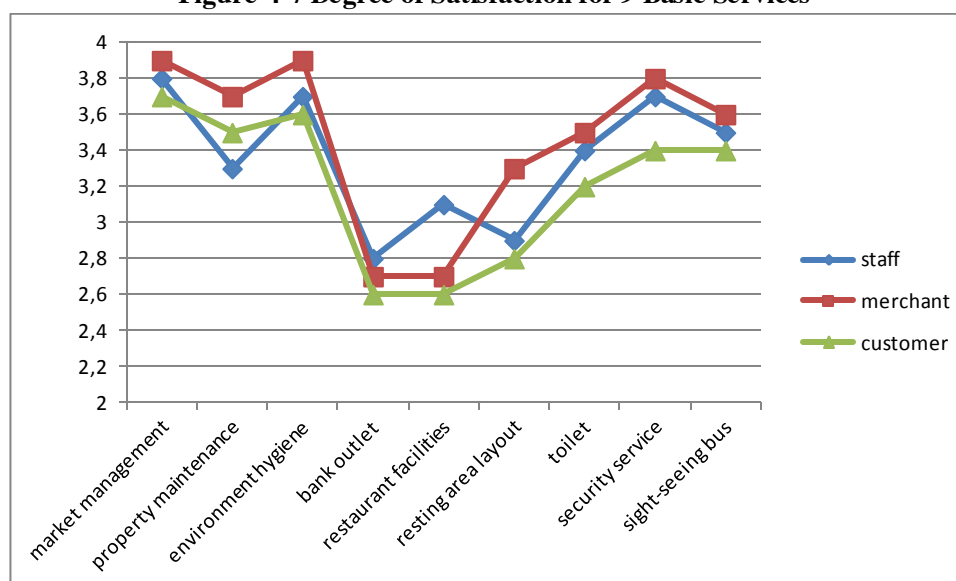
building materials. With a variety of commodities, the company is able to satisfy all consumers' requirements for decorating their homes, which is the key factor for them to shop at the company. The company's brand and reputation are also important elements affecting consumers' selections, just as shown on Figure 4-6.

Figure 4-6 Reasons for Customers Selecting Fusen Noble House



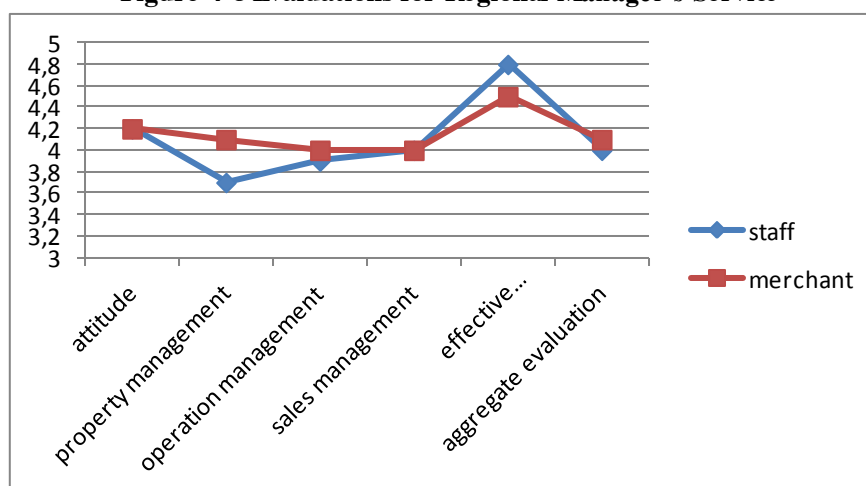
(4) Service quality perception. In the questionnaire designed to investigate the service quality of nine basic services provided by Fusen Noble House, we calculate each one on a weighted basis, from 1 point to 5 points, representing “very unsatisfactory” to “very satisfactory”, so as to evaluate its nine basic services in a comprehensive way (Figure 4-7). Except for catering accommodation and banking outlets, which have not been fully established (the reason for the former is that catering accommodation is demassified and the market is mainly monopolized by restaurant groups; for the latter, for instance, the cost is high to set a banking outlet: to add either pos terminal or bank will occupy the area of existing commercial tenants and reduce rental income. Besides, large amount of money is needed for banking network building and relative facility construction), other services, namely the market management, property maintenance, environmental sanitation, decoration of rest area, washing room, public security service, sightseeing vehicle service are generally scored high and satisfy customers well.

Figure 4-7 Degree of Satisfaction for 9 Basic Services



(5) Satisfaction about service personnel. This is primarily evaluated through the service of regional managers. We have set different scores for each item ranging from “very satisfactory” to very unsatisfactory” in the surveys about the company’s current status of nine basic service qualities with 1 for the lowest and five for the highest to evaluate fully their service (Figure 4-8). The main job of regional managers is operation management and distribution management. They are staffs who have direct contacts with tenants, helping tenants solve operation difficulties. They also coordinate relationship with tenants and are therefore in a job position with strong service and professional features as well as a bridge connecting tenants and the company. The survey results show that the regional managers paid great attention to efficient communications with the tenants, helping them solve problems and difficulties they met during operation process promptly. As a result, they have received good commendations from tenants.

In summary, Fusen Noble House enjoys a higher degree of brand popularity and reputation in terms of brand building, which depends greatly on its superior service. In recent years, affected by rising prices for housing market in China, the decoration building material industry is also growing rapidly. The company has seized the opportunity to develop fast, kept improving its service function, boosted the enterprise image, and has been a leader in the industry of decoration building material in Western China.

Figure 4-8 Evaluations for Regional Manager's Service

4.6 Results of the Case Study

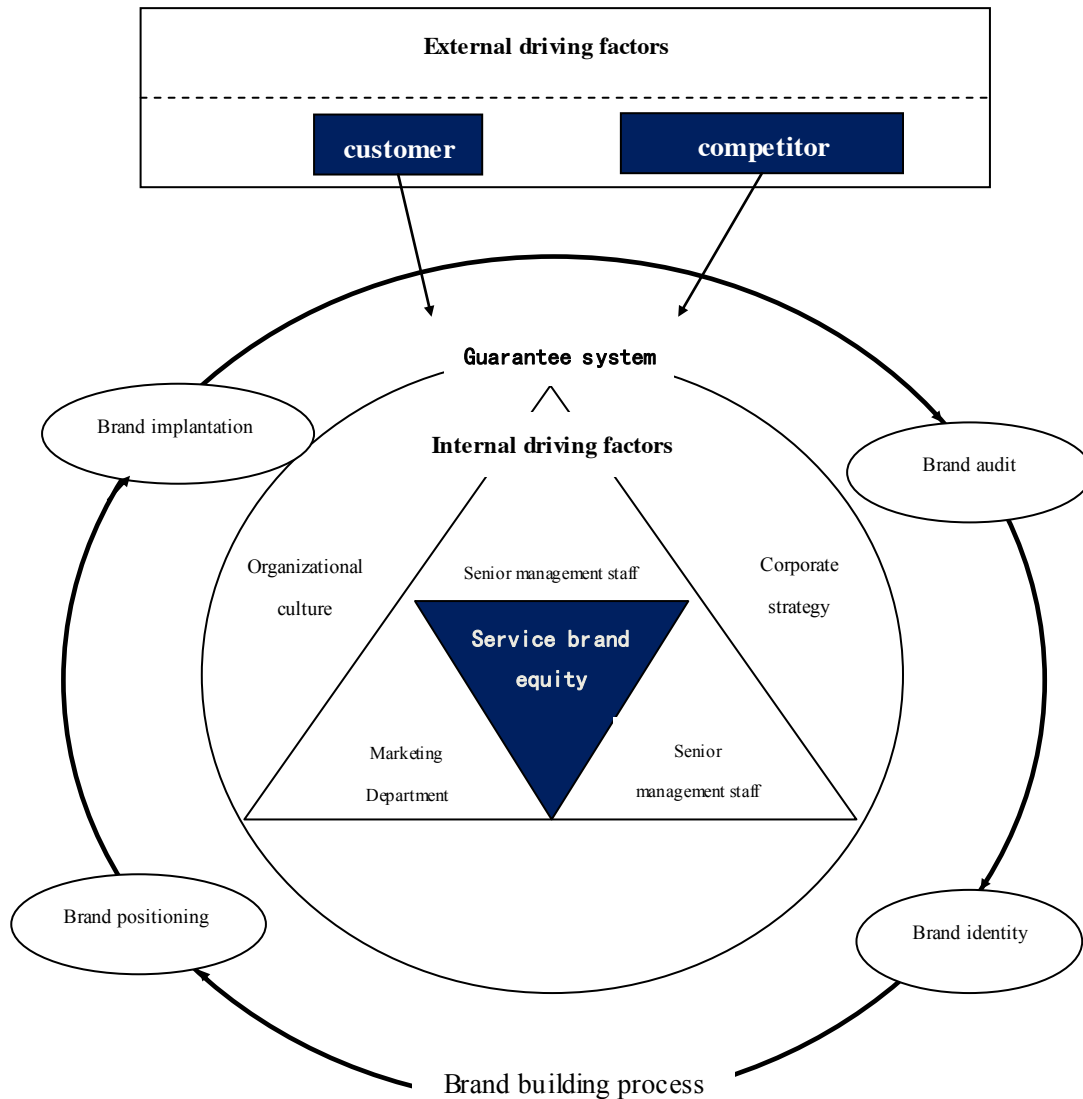
Through the case study of Fusen Noble House service brand building, we found that its service brand has achieved better performance in market share, enterprise honor, brand popularity and reputation, service quality perceived, satisfaction about service employees indicating that the case company has already had greater service brand equity. Among 24 questions required examination covering three levels(including driving factors, brand building process,and guarantee system) and nine sides(including external driving factors, internal driving factors, brand audit stage, brand identity stage, brand positioning stage, brand implementation stage, company's strategy, organization environment, and incentive mechanism), eight sides and nineteen questions have been tested; one side and five questions have not yet been tested (Table 4-18, √ represents for having been tested, × for not).

From Table 4-18 we can see that the main questions covering each level of such issues as driving factors for service brand building, service brand building process and guarantee mechanism for service brand building have been examined. Of questions for nine sides, only the one on incentive mechanism has not yet been examined. Yet the studies on the interviews with the case company show that the company has not set clear incentive mechanism both materially and spiritually related to its service brand building. Based on this case we finally obtained a revised theoretical framework that may be of interest for China's home furnishing mall service brand building, including 19 questions covering three levels and eight sides (Figure 4-9).

Table 4-18 Case Study Results for Fusen Noble House Service Brand building

Three Levels	Questions Required Examination
Driving Factors for Service Brand Building	√1. External driving factors √(1)Whether customers are involved? √(2)Whether take competitors' service brand building as references? √(3)Whether suppliers are involved? ×(4)Role of professional agents?
	√2. Internal driving factors √(1)Whether medium-& senior-level management staffs (brand manager, brand senior vice manager, CEO) are involved? √(2)Whether customer service personnel are involved? ×(3) Whether non-customer service personnel are involved? √(4) Role of the Marketing Department? √(5) Role of multiple-function team?
Process of Household Article Service Brand Building	√3. Brand Audit Stage √(1) Whether an internal environment analysis has been taken? √(2) Whether an external environment analysis has been taken (especially governments)?
	√4. Brand Identity Stage √(1) Whether took a core identity? √(2)Whether took an expansion identity?
	√5. Brand Positioning Stage √(1) Whether chose some parts from brand identity content to emphasize? √(2)Whether took communications with customers? ×(3) Whether took communications with staffs?
	√6. Brand Implementation Stage? √(1) Whether chose elements that are composed of brand? √(2) Whether developed marketing combinations matched with this stage? √(3) Whether used various auxiliary factors affecting customers' brand association?
	√7. Company's strategy √(1)Whether the strategy took an continuous service brand building as a core?
A Guarantee System for Household	√8.Organization environment √(1)In terms of organization environment, whether the company culture encouraged service brand behaviors? √(2)Whether the company team has a strong service brand awareness?
	×9. Incentive mechanism ×(1)In terms of incentive mechanism, whether the company has a clear material incentive system for service brand building? ×(2)In terms of incentive mechanism, whether the company has a clear spiritual incentive system for service brand building?

Figure 4-9 Theoretical models for home furnishing mall service brand building (revised)



The Figure may be explained as follows:

(1) In terms of the analysis for the internal driving factors for service brand building, senior managers and the Marketing Department are the key driving factor for service brand building. The company establishes a multiple-function brand management team, but common staffs play a minor role in service brand building.

(2) Four key points for service brand building process have been examined, suggesting the service brand building of the company in this case study indeed followed the stages of brand audit, brand identity, brand positioning statement, and brand implementation with the last one being the focus of the company, reflecting that Fusen Noble House pays serious

attention to the marketing function for its brand building. However, one weakness is that the company lacks an internal communication with its staff at the stage of brand positioning statement. Like many other enterprises in China the company relies too much on external marketing promotion in terms of brand building, which exist some shortcomings.

(3) In terms of a guarantee system for service brand building, the company has yet to have incentive policies and steps completely directed to service brand building activities on the side of incentive mechanism, but it has always regarded service brand strategy at the core of its entire operation strategy. Plus, the company's senior management team has strong service brand and innovation consciousness, having established a powerful enterprise culture through various channels. All these have provided good environmental guarantees for its service brand building.

Chapter 5: Discussion and Conclusions

This thesis takes Fusen Noble House Co., Ltd., China as a case study. In this chapter we will summarize the results, find its creative contributions and put forward the corresponding management suggestions as well as point out the study limitations and future research directions.

5.1 Conclusions

Based on the first literature review on brand, service, brand service, and China's household article, this thesis initially comes up with a theoretical framework for a brand building process suitable for home furnishing malls. Then, this thesis chooses Fusen Noble House Co., Ltd. as an object of study, and as a representative of China's household article industry service brand building. Using a case study, as a research approach, this thesis makes a systematic analysis on the issue of service brand building, and obtains eventually an amended theoretical model on China's home furnishing mall service brand building. The following conclusions have been reached:

(1) Brand building of Fusen Noble House, as part of China's home furnishing mall services, has attained a high performance.

A service brand is a company's enterprise brand (Berry, 2000) and one of its most important strategic assets. However there has been a lack of studies on service brand. Based mainly on the service brand equity model (Berry, 2000), Aaker's brand equity model (Aaker, 1992), and Keller's CBBE (Customer-Based on Brand Equity) model (Keller, 2009), this thesis evaluates service brand equity from several perspectives such as service brand market share, enterprise honor, degrees of brand awareness and popularity, perceived service quality, and satisfaction about service staff. Through a survey and analysis on the case of a specific service brand building company, we got to know about the status of the service brand equity of Fusen Noble House in recent years and, considering this example we argue that China's home furnishing mall service brand building has achieved good performance.

For example, the company has set clearly future prospects of “striving to be among the first-rate companies and to last for 100 years”, showing its resolve to further strengthen service brand building. From the interviews with members of each level of management and with employees, we found that the company not only pays very serious attention to service brand building, but is already a well-known brand with a powerful influence. For instance, the company is honored by the Sichuan State Government with the label “Sichuan Famous Service Brand” in wholesale and retail industry and its trademark “Fusen” has already been among “China’s Famous Trademark”. Overall, the household article industry also cares about service brand. For example, some international household article enterprises like Ikea, Red Star Macalline have put a large amount of resources in building powerful service brands. From the interviews Fusen’s management emphasized that service brand has been a basis and precondition for Fusen Noble House to get competitive advantages and rapid growth, which is consistent with previous studies. Several scholars have pointed out the extreme importance of brand for service enterprises due to the intangibility of service which is different from tangible products (Papazolomou and Vrontis, 2006). The outcome of this thesis has proved these theoretical assumptions since all interviewees think that a service brand would be able to bring customers functional and emotional values so that risks perceived by customers could decrease, and that a service brand also may increase values related to customers and stakeholders.

(2)The major factors driving Fusen Noble House brand building include: (a) senior management; (b) customer information; and (c) marketing department.

Among these key factors, senior management is the most primary one. In the interviews conducted in the enterprise, almost all employees also mentioned the role that the Marketing Department played in brand building. Customers have a very significant impact on brand building, which has also been touched upon in the interviews. The marketing department plays distinguished role in service brand building. Likewise, a multiple-function team also contributes greatly to driving the building of a brand, which is consistent with existing literature. This involves a wide range of functions and covers nearly all departments and functions of home furnishing malls.

However, different from what existing literature have emphasized on the role of brand manager, there is no position at China's home furnishing malls, which is somewhat surprising. However, people in the interviews neglected the significant effect of human resources management and of employees in driving brand building, differing from current literature. Also, external agencies have very limited impact on household article enterprise brand building in China, which differs from existing literature and from the reality in Western countries, probably because the agency market in China remains in a disorganized status and consequently, has not yet been acknowledged by the management of most enterprises.

(3) A guarantee or support system for service brand building mainly involves: (i) the company strategy; (ii) the organization culture; (iii) stimulation mechanisms; and (iv) the company team.

Among these, the most crucial is that the company strategy and the organization culture and environment should match service brand. Stimulation mechanism ranks as the second most important. According to an analysis of the case, Fusen Noble House has set a brand strategy in which the company regards brand as a core competitive power to earn profits and values, combining closely with the operation strategy of the enterprise. A brand strategy aims to highlight the specialization of the company so as to guarantee strategically a long-term growth for the company. For Fusen, its service brand strategy is to realize its future planning to "strive to be among the first-rate companies, and to last for 100 years", showing emphasis on its great attention to external customers' demand and to their orientations. However such vision will not be possible to fulfill without the contribution of employees as the most important resources of any company. Any enterprise is required to be greatly concerned in providing a platform and space for employees' career development as well as for improving their skills and abilities and therefore balance its orientation between external customers and internal staff for its service brand strategy.

In this case study, the company combines its enterprise culture closely with service brand and produces a service brand culture. Led by its operation philosophy of "based on credibility, most important is service, integration for advantage, brand innovation", the company builds its service brand culture through levels of its core values, system and

material culture. With higher education degrees received, the senior management team of Fusen Noble House has a strong sense of service brand and the right sense of the importance of maintaining service brand values. The team set itself as a good example for its employees, customers and other stakeholders, by serving them. In terms of team building, the company establishes its system, which guarantees senior managers' continuous innovation and learning.

Yet the company studied has no stimulation mechanism specific for employees' activities driving service brand building, reflecting the fact this may be driven primarily by the senior management, tacit knowledge and spiritual stimulation. It is required to improve the human resources management policies related to service brand building, because employees themselves are part of service brand that is different from product brands. So the company must strengthen its management of service employees. For example, when recruiting, the company needs to consider comprehensively candidates' skills, knowledge, abilities, especially whether their values match the company's service brand value, and whether they could keep promises for service brand. In terms of training, it needs to particularly internalize employees' views of service brand value, improve their service skills continuously, cultivate their team spirit, and strengthen their abilities in dealing with customers' complaints under authorization. In terms of stimulation mechanisms, the company needs to reward employees for their behavior in relation to benefits brought to service brand building both materially and spiritually. In particular, when allowed, the company may consider letting workers hold company's shares, improving their sense of being a member of the company, making them really believe in service brand value, boosting their promises for the brand, thus providing a good stimulation mechanism for service brand building.

(4) As part of its service brand building process, Fusen Noble House has followed specific developing stages or steps and emphasized external marketing activities.

Though this process tends to be unofficial, it still followed the basic orders of service brand, namely: audit, identity, positioning statement and implementation. Current literature (Urde, 2003) points out the need for a structuralization of brand building and the company studied in this case did include some structure in its brand building process. However it does

not have any recorded documentation opposite to what happens in most foreign companies.

Based on the literature review, service brand building normally has four stages (brand audit, identity, positioning statement and implementation), and the results of this thesis generally support these four stages, yet they have differences and overlapping parts. Service enterprises need to infuse brand philosophy and brand promise into employees' minds, to have them share this philosophy and become involved in brand cultivation. They are required to have their brand promises presented by each employee, and to build service brand eventually through employee behavior.

Obviously, whether a brand building needs to be planned in advance is a passive part of that process, as per argued by some interviewees in the company. Most of them (9 out of 10) agree that service brand building requires a detailed, careful plan, but have different thought on these steps. Either in the interviews or in the collection of second-hand information, we did not find that the company studied has any regulations or recorded steps related to home furnishing mall service brand building process. The manager responsible for the Marketing Department's brand promotion did not introduce service brand building in a clear way nor did show a deterministic service brand building process. Therefore, in spite of following some of the steps defining in the literature when building service brand, Fusen Noble House just did it automatically with a lower degree of formal conduction, demonstrating de Chernatony et al.'s (2003) findings of an unofficial, instable, loose and response-to-stress process of a new service development.

In this respect, the company should produce a systematic document such as "Fusen Noble House Brand Management Regulations", at its late stages of service brand building, namely, when it improves and evaluates service brand effects. This document can be regarded as a systematic process for service brand building, including a plan and budget for brand creation, marketing investigation for brand's long-term positioning, application of CI system, dealing with brand crisis, brand evaluation, and brand management performance assessment.

5.2 Implications for Management

This study has provided a real case of service brand building of Chinese home

furnishing mall. From this case, managers and employees may draw some ideas when building service brand under different circumstances. This thesis not only applies existing theories to the case of service brand building of service companies, but also provides some practical management enlightenment for the service industry to undertake brand management, strategic management, and marketing and human resource management. Facing the fierce competition of today's house furnishing industry, a house furnishing manager can win competitive edge through service brand building only by attaching great importance to the aspects that will be detailed below..

5.2.1 Attention should be paid to the Driving Factors of Service Brand Building, and to Strengthen the Contact Management of Service Brand

According to the stakeholder theory, service companies must value the roles of stakeholders. Through strategies of reconsidering products and market, redefining the value chain, and promoting local industrial clusters (Porter & Kramer, 2011), value can be created and shared. All of these strategies would affect service brand building, which is closely linked to stakeholders of the company. It is these stakeholders who push forward the building of service brand.

According to this thesis, the driving forces of service brand building mainly come from high-level managers, customers and competitors. High-level managers of service companies play great roles in actively participating in and advocating service brand building, collecting and digging up more customer information, and meanwhile, constantly paying close attention to competitors in their service brand building. However, as we have said before, for a service company, personnel are the service brand. Berry (2000) argues that service bearers are the strongest medium to build brand connotation and brand equity, and the process requires the active participation of contact workers. As service brand value is mainly transmitted through contact between service employees and customers, employees become the key of service brand research. Therefore, service companies must value employees and demonstrate value connotation through employees' service behaviors. When building service brand, the service company should have broader view and the ability of resource integration on a bigger

platform. Besides, it should also attach great importance to contact management of service brand when managing service brand equity.

Service brand contact is the interaction between customers and the house furnishing mall (or company). Customer experience is usually evoked by others rather than by themselves, and it is affected by service brand contact. In the process of service brand contact, customer experience is mainly affected and restricted by situation dimension factors. A house furnishing mall should effectively manage those situation dimension factors which affect customer experience, and constantly provide unforgettable customer experience for customers in their shopping. Except for shopping environment, retail atmosphere and product value, the technical outcome and service process are also factors that affect customer experience.

The technique quality, which is also called outcome quality, is the outcome of service. It is something that is gained after the service process is finished. Process quality, which is also called function quality, is the customers' evaluation of the process of service. It shows how customers obtain these services. The gap between expected service and perceived service determines service quality. The traditional marketing, word of mouth or the individual factor of customers would affect the expected service. Company image would also affect the service quality. The quality of service process is related to the service awareness, attitude, behavior, appearance and service techniques of service employees. In order to enhance the quality of service process, a house furnishing mall should do the following: first, reinforce internal employee training and build customer-guided service culture; second, establish a customer database, understand the consumption preference of different customers and provide humanized and personalized custom-tailor service; third, design specific and feasible service standard in accordance to different types of customer (including company customer and terminal customer); fourth, emphasize service transmission and contact management, and monitor and manage key moments which affect customer experience; fifth, listen to customers' opinions attentively and improve the service constantly; sixth, remedy mistakes, if any, in service in time.

As service is not a mechanical behavior, the service process is the process of

communication and cooperation between service employees and customers. All service behaviors are conducive to convey brand information and build brand image. Everything from service contact design to company brand strategy formulation should be taken into consideration of the systematic project of brand equity management. The qualities of service employees serve as the motive to add value to service brand equity. Professional skills, service attitude, external image, communication techniques and morality that are directly provided or expressed by service employees would impose direct effect on customers' service perception, willingness of repeat purchase and brand images. A company can improve its service process from the following aspects:

(1) Express more genuine emotions: when China was promoting the smiling service campaign, excellent service companies in Western countries have already begun to emphasize sincere service. Scholars find that in the process of service, smiling service alone is not enough. Whether skillful or not, contact employees can create more customer satisfaction by revealing genuine emotions, while "hypocritical performance" will not win customers' hearts. Therefore, service employees should put themselves in customers' positions and express their true thinking at a proper contact point. Only in such way, more customers can be retained. For instance, recommend products that suit customers the most instead of the most expensive ones. In this way, the company can win the trust and favor of more customers, inspire customers' emotional responses, and thereafter produce true brand power.

(2) Show higher moral cultivation: Whether service employees comply with social and cultural norms or not would directly affect customers' opinions on the quality of interaction and brand image. Honesty, fairness or inclusiveness is moral qualities required by the society. In the process of service, service employees should spontaneously show their moralities, deal honesty with their customers whether old or young, and actively take care of people in need. Service employees should also try to be as fair as possible to every customer.

(3) Give customers more control power: Due to the nature of service providing, customers usually hope to increase their say and control in contact points and perform the role of "temporary leader" in service contact. Therefore, when service employees contact customers, they should give the floor to customers, have full communication with customers, define customers' demand and preference, respect customers' rights of participation and

decision making, encourage customers to speak out their opinions and suggestions and make necessary changes in their service accordingly, and explain customers' questions in time. To give customers more control power means that service staffs should provide individualized and quality service for customers in a more active way.

(4) Eliminate the blind spots in the front desk: In the course of the field work undertaken for this thesis, it is found out that many customers would take notice of the performance of employees who are off duty. Theoretically, off-duty employees are not service employees, but they are still the representatives of the company as perceived by customers. Therefore, their manners would affect customers' overall perceived quality. For instance, if they get together in the corner of the service site, cackling or whispering, or if they talk to customers in need impolitely, customer satisfaction would be greatly impaired. Walt Disney Corporation requires its employees to keep their working attitude and behavior as long as they are in front of the public. Therefore, Chinese service employees should also try to eliminate blind spots in the front desk.

(5) Constantly strengthen customers' perceived experience and emotional experience, and establish customer experience driven service brand: In order to have effective customer communication, a service company should distinguish the demographic variables of key customers and employees based on industrial characteristics, and provide services with clear purpose. Service companies should investigate different customer groups' demands and expectations of service, understand their key focuses, and then adjust the way, level and price of service, so as to cater the needs of such customers and create value for them. Customer experience includes perceived experience and emotional experience, and both experiences affect service brand equity. If a house furnishing mall wants to build an enduring and strong service brand, it should design an experience theme which can satisfy customers' perceived and emotional experience which is unforgettable. As long as the theme is determined, relevant experience activities must center on the theme. Through thematic experience activities, house furnishing mall culture can permeate the experience environment, turning the single-function buying and selling site into a multi-function place where service atmosphere is felt and personal feelings are communicated. In the increasingly fierce Chinese market, through thematic experience activities, service companies can avoid simple price war in

which neither side gains. Besides, it can effectively improve the quality of customers' perceived experience and emotional experience, encourage customers to have a positive association with the service brand, and finally promote the service brand equity and enhance a service company's competitiveness.

5.2.2 Enhancing Employees' Participation in the Internalization of Service Brand and Standardize Internal Building of Service Brand

Through the literature review this research found out that a service company should undertake brand auditing, brand identity, brand positioning statement, brand communication, and brand implementation according to certain service brand building flow, so as to carry out service brand building effectively. Brand positioning statement, service concept, service content, service flow, service norms and standards, external communication system and normative management documents should all be formulated. In the process of brand building, internal service brand building is of paramount importance (de Chernatony & Segal-Horn, 2001).

Internal service brand building, also called service brand internalization (Bai & Chen, 2005), means a process that service companies strive to embed service concepts and service brand promise in employees' awareness, so as to share service brand concept among employees and encourage them to participate in the company's service brand building. Then, reflect brand promise in every employee's work, and finally present it through employees' awareness and behaviors. Through brand internalization of service companies, employees would have profound acknowledgement and recognition of the core concept of the company's service brand, so as to fulfill the brand's promise to customers in line with the concept of service brand when providing service (brand contact). In such way, customers would have benign perception in the company's service brand, the service brand image could be built and a good brand relationship with customers could be built, forming favorable "externalization" of the brand. As a result, service brand can be transmitted from inside out, and brand value can be realized. Therefore, human resource management mechanisms, corporate culture and service brand internalization by employees are all very important. A company must ensure

that its employees, who are the service providers, have high degree of brand promise and loyalty, and they can maintain consistency of service provided by the company, and consequently build a strong service brand.

Employees are the source of core competitiveness of a company. de Chernatony and Drury (2005) propose that service brand relies more on employees rather than product brand. In the process of service brand building, employee awareness and value have promotion effects. If an employee can realize the value of company service, it is easier for him or her to make more contribution to brand building of the company. When studying brand awareness of insurance companies, Howard (2000) proposes that a company should build a brand with value that is accepted by employees, stimulating employees and distribution network. Service brand is built by behaviors that transmit brand promise and build brand trust. Vallaster and de Chernatony (2005) argue that as “brand image ambassadors”, it is insufficient for employees to just understand brand connotation and equip with good skills. More importantly, employees should fully internalize the brand value, making it part of his or her own thinking. At present, internal brand management is still relatively simple and old in China. Most service companies do not deem service as a process requiring constant learning and creation. Besides, neither companies nor employees value employee participation and brand building. Service companies should strengthen internal management and form the internal driving forces of production and development of service brand equity. In order to strengthen internal brand management, service companies should make constant improvement in the following aspects:

(1) To increase employees’ participation in the process of service brand internalization: Service brand building, which takes employees as the core, deems employees as the major strength in service brand building and emphasizes that all employees should participate in brand building. Internal brand building is the company behavior about unifying employee behaviors and brand value (Vallaster and de Chernatony, 2005). Internal Branding includes transmuting brand effectively to employees, making them believe the brand and the brand value, and successfully connecting every piece of work with the transmission of brand value (Bergstrom et al., 2002). Every employee should participate in brand building. Besides,

special attention should be paid to contact employees. Through implementing brand internalization, a company can be improved in aspects of brand understanding, communication, business promise and employee satisfaction (Zucker, 2002). Employees are the principal parts in understanding and transmitting brand value (Thomson, 1999). Available research on service brand internalization mainly focuses on employee awareness and behavior. Changes in employee awareness are ultimately reflected in changes of employee behaviors. Service brand internalization is a strategic concept. Therefore, a service company should understand and implement brand internalization on a strategic level, so as to complete the whole process of internalization. First, the process starts from brand recognition; second, making employees understand brand concept and brand promise through various kinds of ways; and finally, participation of employees in brand internalization. Every stage needs the managerial push and implementation from company level, or even the cooperation of guarantee and organization from institutional level. For instance, formulate brand training plan and implementation plan, establish brand stimulation mechanism and system and set a specific brand management team. Only when brand internalization is popularized in Chinese companies nationwide, the ultimate goal can be realized.

(2) To strengthen coordination and cooperation among different functional departments and design flexible organization structure. Coordination and cooperation among different functional departments are involved in the process of service brand building. For instance, the strategic planning department is responsible for planning and initiating internalization; brand management department investigates and formulates the brand recognition; and human resource department is in charge of issues such as brand training and incentive policies issuance. Therefore, coordination and cooperation among different functional departments are crucial. In order to achieve a common target, specific trans-department cooperation mechanism or high-level managers and institutions above each department are needed to ensure that brand internalization goes smoothly. Comparing to industrial enterprises, service enterprises have more flexible organizational structures since the front and back stage of a service organization are closer. Although the back stage is rarely known by customers, a large amount of plans, executions and coordination work aiming at service experience happen there. Therefore, service enterprises can adopt a more flexible network organization structure, so as

to reduce management layers, increase the rationality of decisions, save management costs, and enable the back stage to support and cooperate with the front stage uninterrupted and make adjustments as required consequently. Service enterprises should also build an information communication and sharing system and organize temporary job rotation between front stage and back stage employees. In such way, both front stage employees and back stage employees begin to understand the work content of each other, which is conducive to better cooperation in the future. As a result, a strong backing is provided for contact employees in a bid to realize brand promise, and customers can therefore have more valuable service experience.

(3) Moderate empowerment: Empowerment means the right, authorized to service employees, to make decisions within certain working scope and the right to dispose certain resources. If an employee is empowered, he or she can exercise the above rights in the best way as he or she thinks. In service industry, contact employees are employees who have the most contact with customers. Therefore, if customers have any complaint or seek for help, contact employees will receive the feedback at first hand. If customers' requirements can be responded and properly dealt with quickly, it will add customers' perceived value. On the contrary, if the employee reports to senior managers step by step for solutions, then the quality of interaction will be reduced, and employees will feel restricted. Therefore, empowerment, which is the positive affirmation of service staffs' ability and sense of responsibility, will inspire employees' devotion, creation and passion enabling employees to solve problems for customers in time and provide quality and speedy service. Ritz Carlton hotel stipulates that all employees are authorized to use as much as \$2000 to deal with problems that appear in the process of service contact at one's discretion (Gen, 2009). As a result, hotel's employees are more confident when providing service, an example that is worth learning for Chinese service enterprises. In addition, different contact employees have different expectations on the meaning of empowerment. High quality employees have strong desire of self-fulfillment, thus need more company empowerment. Therefore, a service enterprise should give moderate empowerment to employees in accordance with their characteristics, abilities and the actual condition of the company.

(4) To cultivate the right employees: Cultivation of the right employees is mainly shown

in three aspects, namely recruiting, training and retaining. A service company should hire people in the principle of attitude the first, capacity the second. Many excellent service companies express clearly that “we are looking for employees with good personalities and who have pleasure in serving customers”. Employees should bare personal value and quality of putting themselves in customers’ positions. Such qualities are more important than education, age and intelligence. A service company should actively satisfy the learning needs of contact employees, including operation skills, technological knowledge and interaction, communication skills and other trainings. The training content of house furnishing mall in the specific context of China should include the following aspects: recognition of the company and the nature of service, transmission of service awareness, interpretation of service culture and service concept, acknowledgement of supporting system of a service company, training of service skills and techniques. Through such training, a unified service value can basically be formulated, employees’ service techniques can be improved, and employees may become basically capable of realizing brand promise. In this way, employee satisfaction and loyalty may be enhanced on the one hand, and more excellent service may be provided for customers on the other hand. A service company should also open a free channel for brand building, encouraging contact employees to join brand design, adjustment and maintenance and fully arousing their enthusiasm to devote in brand building. Consequently, a brand image that is widely recognized by employees can be established, and employees’ sense of mission and sense of belonging is boosted.

(5) A service company should design and provide more suitable internal service and incentives for employees in different career stages: While attaching importance to new employees, a company must remember to have full communication with old employees, so as to establish strong emotional connection with them. A service company should have different interactions with different employee groups who have distinguished effects on important aspects of the company, so as to improve the company’s service level. Fair and just assessment mechanisms are of positive meaning to ensure the implementation of service culture in house furnishing malls in China. According to the result of assessment mechanisms, companies can formulate corresponding rewards and punishment or incentive measures, so as to stimulate employees to carry out service behaviors better. On the other side, fair and just

assessment mechanism represents the company behavior of serving internal employees, which is a good manifestation of the corporate service culture, and it is of great promotion function to the service management of the company. To establish an incentive mechanism means to encourage employees to provide excellent service through various kinds of incentives. The foundation of building incentive mechanism lies in digging out employees' needs. On such foundation, a service company should satisfy employees' needs while they are providing excellent service for customers. In such way, company behavior can effectively stimulate employees to carry out excellent service in a bid to promote effective transmission of company service brand.

5.2.3 Perfecting Brand Communication Channels, and Building Long-term and Friendly Brand Image and Relations

Through the case study in this thesis, we find that brand communication includes internal communication and external communication, and both of which would affect service brand equity. After a company identifies its brand recognition, it needs to make all employees and external stakeholders recognize the brand and understand the brand connotation and promise. As stated above, employees are the core parts in the process of service brand building and the principal parts of understanding and transmitting brand value (Thomson et al., 1999). Therefore, a service company should teach employees the brand knowledge, "internalizing" the brand as part of employees' knowledge and integrating it into employees' work. Such process of internalization is in fact the internal marketing process of the brand. For a service brand, customers bare the brand image on the basis of constant contact with the brand, and the relationship between customers and brand is built. In order to build a long-term friendly brand image and relationship, house furnishing mall and service companies should follow the next four aspects: first, perform its brand promise unswervingly; second, create an amiable and differentiated visual image; third, have strong, sustained and affectionate communication with customers; fourth, combine brand value and social value. Through this case study on a Chinese house furnishing company, the author found that, in China, more importance is being attached to the building of functional brand image by service companies. For instance, as condition allows, service companies usually choose to

decorate the service site with high-end service equipments. However, the present brand information transmission is still unitary, and less importance is attached to customer expectation and communication. Service companies should improve management from the following aspects:

(1) Design humanized service site: Service site is a kind of non-verbal way of communication and the important material expression of the quality of interaction. Service site transmits to customers the brand positioning, brand personality and other information, which would affect customers' expectation and judgment on the whole service quality as well as their perceived value and degree of satisfaction. Service companies should design service sites in accordance with the target objectives. In addition, customers would often show their social status and identifications through brand image transmitted from service sites. Therefore, when designing their service sites, service companies should highlight these factors, and convey distinct visual metaphor to customers. Besides, intelligent devices and systems are also part of the service site and when people contact with machines, the latter are taken as service employees. Therefore, these machines should be clean, pleasing to the eyes and in accordance with human body engineering, and the operation system should be simple and convenient.

(2) Establish value through diversified information communication and interaction: Service companies in China usually transmit brand information by way of advertisement. In fact, customers receive information from a variety of channels. Kotler (2000) divides information channels into individual sources, commercial sources, public sources and experience sources. Therefore, service companies can also transmit brand information through various kinds of ways, including internet forums, publicity brochures, service employees, major incidence or non-commercial channels. In addition, the information transmitted from service companies should also be diversified. Except for brand information, service related knowledge can also be popularized, helping customers under the service in a more objective and comprehensive way. Service companies can also train customers in the process of information transmission, telling them the duties and binding behavioral norms in producing high quality service production, so as to help them better to cooperate with service employees and realize win-win result. Service brand is not built unilaterally by service

companies; it requires positive participation of customers. A service brand is the outcome produced by both company and customers. In return, the value of both parties is enhanced in the process. Chinese service companies value more the company value and customer satisfaction, thinking that the latter could bring value to the company and add value to the brand equity. In fact, it is a wrong view. In the long run, company value coexists with customer value, and neither side can be neglected. Through this empirical research, the author has found that for service brand equity, customer value is more important than customer satisfaction. Therefore, service companies should create value for both the company and customers through interaction. For instance, the Coca-Cola Company often communicates with customers about the brand personality, new product development and package design through its official website, and it would respect and adopt customers' opinion. As a result, while strengthening customers' brand identification, it enhances customers' social value and emotional value as well as the company's profitability.

(3) Ensure the consistency of service brand communication: In order to maintain the consistency of service brand communication, first of all, customer expectation should be effectively managed. Customer expectation is a "double edged sword", which means that customers might have certain expectation on a brand because of company promise and promotion, and further generate their desire to buy; or they might be dissatisfied or even shift consumption as the expectation is not attained. Chinese service companies often use high-intensive way to promote brand awareness, or even exaggerate the promises to uplift customer expectations, however without effective management of customer expectations. Service companies should guide customers to set a proper expectation, informing them that which can be done and which cannot, and trying to satisfy their key expectations. Without losing customers, a service company can moderately decrease customer expectations, making it a little bit lower than the service level. In such way, it is easier for the company to surprise customers, so as to increase customer value.

As for house furnishing companies, the key to create service brand is to enhance service quality and management skills of the company. In brand communication, a service company needs to recognize the main applicable place of brand information, which means that

different visual transmission is required in different medium or place. Work should be done to create service brand of house furnishing mall in the following aspects: define the name of service brand, make Corporate Identity System (CIS) design, enhance service quality and management skills, and promote brand awareness, reputation and loyalty.

In brand communication, companies often use different channels and media. However, different transmission channels might bear different content and attention should be paid to the consistency of the transmission of information. For service brand, in particular, it features multiple contact points and more extensive brand content comparing with tangible product brand. Service brand includes brand elements of employee image, service environment and atmosphere as well as brand name, price/currency value, service environment, core service, employee service, and consistency of emotion and self-image. Both employee's behavior and customer's emotion could affect the image of service brand. Therefore, it is difficult for service companies to control and manage the effect of human factor on service brand. Communication contact points between service brand and customers include advertisement, promotion, service environment, employee image and service facilities and such diversity poses the problem many service companies face as how to ensure the consistency of service brand communication. However, when transmitting its brand, a company needs to pay attention to the characteristics and difference of brand, so as to implement brand positioning effectively, leave space for customers for strong, preferential and unique association, and ultimately build the service brand image.

(4) Enhance the connection and fusion between service brand communication and service transmission: In the process of building service brand, a company should take notice of employees' views on the transmitted brand promise or expectation. Brand related information should be transmitted, shared and exchanged among organization members. By means of company website and internal magazines, the company should create opportunities for and guide employees to exchange brand information. The company's service brand must be recognized by its employees, and the company should not transmit service or quality that goes beyond what can be provided by employees. In fact, the transmission process of service itself is also part of service brand. Therefore, company managers must plan and examine the

content scientifically, ensuring the service is provided by employees as planned. As service is intangible and heterogeneous, customers are not able to perceive and evaluate the service quality beforehand. Therefore, service brand communication becomes a kind of brand promise, which would affect customers' expectation on service. If the service brand promise is not consistent with actually perceived service, customers will feel unsatisfied. Excessive and exorbitant brand communication would only enhance customer expectation. When the company cannot provide service that is consistent with customer expectation, customers will feel unsatisfied. However, ignorance of service brand communication will not promote brand awareness or brand image. Therefore, service brand communication is more difficult and complicated. It is the key for brand management of service companies as how to balance brand communication consistency and appropriateness. Service companies should pay special attention to the matching between the transmitted service brand expectation and actual provided service. Generally speaking, the transmitted service brand expectation should be lower than the service that can be actually provided by the employees.

5.2.4 To Cultivate Service Brand Culture, and To Perfect the Guarantee Mechanism of the Building of Service Brand

This study found out that the key of guarantee mechanism of the house furnishing mall's service brand building that has been studied lies in the matching between the organization cultural environment of company strategy and service brand. Service companies must formulate the company strategy which is guided by customer and service, cultivate company culture which encourages service and ceaseless learning, and build a team with strong sense of service and skillful service techniques, so as to enforce the building of brand culture. Service brand is the sum of experience between service products and customers, and it is the way of feeling and intimacy relationship between the two. Because of the particularity of service, service brand and product brand are different in terms of specific implementation, as the implementation of service brand is more difficult than that of product brand (Riley et al., 2000). In addition, service product does not have a patent and, as a result, even if the external service measure is ahead of competitors, it can not avoid being imitated ultimately. Therefore, for service companies, brand culture cultivation is important for effective brand management

and homogeneous competition avoidance.

Brand culture means a kind of cultural atmosphere that is formed by customers' high degree of acknowledgement of a brand on the spiritual level through various kinds of internal and external transmission channels based on a clear brand positioning. Under such cultural atmosphere, strong customer loyalty is formed. Such loyalty is a combination of material and spirit, and the integration of human and materials is the summary of brand culture. It represents a life style, value and personality of a group of people (Zhu, 2006). Brand culture is not just the brand culture of a company, but the cultural integration and recreation between the company and customers. The culture of any service brand is the integration of both internal and external aspects. Service brand culture is an organic part of corporate culture. The building of service brand culture is a process of ceaseless breeding of excellent corporate and overcoming malignant culture. Service brand culture is the direct showcase and carrier of corporate culture. The material foundations of service brand are product and service, and the spiritual power is the corporate power, which is the soul of service brand. Corporate culture and service brand culture influence each other, connect each other and cannot be separated. Cultivation of corporate culture should be valued in implementing the strategy of service brand culture. A service company should pay attention to employees' voice, increasing communication with them through various kinds of communication channels as well as enhance cooperation between customers and employees and form common language and behavioral norms inside the company, so as to build excellent service brand culture.

Generally speaking, the building of service brand culture is relatively lagging behind in China. Although many service companies have realized the importance of service brand culture and have begun to do related work, most service companies, especially small and medium size service companies, have not yielded distinguished results in this regard. The lack of brand culture makes customers the negative receivers of brand information, and they cannot understand thoroughly the brand image and value transmitted by service companies. Therefore the generality of Chinese customers can only guess the service quality and level through brand promise and some tangible expressions, but insufficient emotional maintenance and value creation between brand and customers cripple the formulation of true

brand loyalty. Based on this reality and after the research conducted for this study, service companies should improve themselves in the following aspects:

(1) Refine excellent core value

The core value of service brand involves brand recognition, which is the foundation and beginning of the internalization of service brand. Brand recognition defines the most important property of service brand from the angle of service companies themselves: the connotation of brand concept and service promise. In face of a service brand, customers need to understand the service promise of it at the first hand, which is the functional property of service brand. Therefore, many scholars think that service brand is a kind of promise. Second, customers will see whether the concept of service brand goes in line with both emotional and spiritual needs. The scientific and reasonable brand recognition is the beginning of the brand internalization; however in most cases brand culture is not developed around a core, and this is a misunderstanding for most service companies in their brand building. Therefore, although more and more new brands appear every year, their life spans are shorter and shorter. The core value is in the core position of brand culture, and it is the core values that help customer better recall and recognize the brand. For instance, the core value of Mcdonald's is "happy and delicious". As a result, when we mention about Mcdonald's, the big "M", the amiable Uncle Mcdonald, the neat eating environment and "I'm lovin' it" will come into mind, reminding us that this is the representative of a kind of convenient, clean and cozy American fast-food culture. Excellent core value can win the recognition, affection and even high esteem of more customers, so as to promote brand loyalty of customers.

Berry (1999) summarizes seven common values of an excellent service company, namely innovation, excellence, happiness, spirit of team work, respect, integrity and social benefits. Innovation means to challenge the current situation and create better service; excellence means to constantly create service better than "good"; happiness means to create a happy and joyful working place; spirit of teamwork means to deem oneself as a member of the successful team which has the courage to try and face challenges; respect means to respect employees, customers, partners and commercial organization; integrity means that honesty and upright nature are the correct and best way to join in competition; social benefits

mean to not only realize the economic target in narrow sense, but also create social benefits and make all stakeholders profit. By borrowing from these common values adopted by excellent Western service companies, service companies in China can refine the core of brand culture operation of our own according to actual condition, so as to build intimacy and recognition of brand with customers on an emotional level, and enable customers to understand the brand, accept the brand and love the brand.

(2) Highlight featured characteristics of brand. Brand characteristics are features of a brand that distinguish the brand from one another and the core of brand differentiation. Distinct brand characteristics help intensify the brand image in customers' hearts. However, most brands in China lack distinguished characteristics, making all brands look similar with each other. Such kind of imitation would only highlight a hollow culture, which will not create brand culture with real characteristics. Instead, some companies add the Chinese national culture into their brand culture building, such as the "red bean" shirt, which emphasizes "poetry passing on with shirts, and shirts coming in with poetry". The way of such brand cultural operation is worth learning from by service companies. In particular, as Chinese culture is gradually recognized by outside world, and even welcomed, it is of some help for Chinese service companies to go international by promoting brand characteristics with national culture.

(3) Build systematic service brand culture. A complete service culture concept consists of four levels, namely the spiritual level, institutional level, behavioral level and material level. The specific case we have studied – a large company in the house furnishing mall business in China - can also take service culture as the tool to internalize service brand. In order to conduct brand internalization through service culture, such businesses as house furnishing malls must put emphasis on service culture breeding in the process of building company culture.

Firstly, it should start from the core spiritual level, which means to confirm company's service concept, and build employees' service awareness. Service concept is the service thinking advocated by the company for customers and employees. It guides the service attitude and service behavior for all employees; service awareness means the company and its

employees' awareness of the company nature and service and determines whether employees will carry out service in a sincere way, and consequently decides the quality and effect of provided service. As for house furnishing malls in China, service culture of the spiritual level is cultivated through firstly having a correct understanding of the nature and the future subsistence environment of the company, so as to understand the significance of service, customers and employees to the company, and fundamentally change the service awareness and weak employee awareness of house furnishing malls. As a result, the service brand concepts of "people first" and "customers first" can be built, which can be used to guide employees to build service awareness.

Secondly, build service on the institutional level. Service culture is a kind of soft power. Therefore, perfect service institution is indispensable to ensure its effectiveness. To build service institution is to stipulate excellent company service culture by means of institution and to transfer abstract service concept and service requirement into specific service standard and rules, permeating the operation management of the company, and realizing organic combination of culture and management as well as the unification of effectiveness and endurance of culture. As for house furnishing malls in China, under the guidance of "customers first", a service institution needs to be built to standardize and restrict the company and its employees' behaviors, and it is of positive significance for a company to maintain the stableness of service quality and the effective transmission of service brand.

Thirdly, build service on the behavioral level. The behavioral culture of service is one of the most important carriers of corporate service culture and the realest showcase of service culture of a company. For service companies, in particular, the transmission of service culture or service brand is realized through direct contact between employees and customers. Therefore, behavioral culture is paramount important to a service company. Through training high-effective service behavioral techniques and formulating scientific service behavioral model, house furnishing malls in China build their service behavioral culture to ensure relative stable behaviors of employees and consistent service levels, so as to better transmit service culture and brand of the company.

Finally, build service on the material level. Service culture on the material level includes

the culture of company image and service equipment, and it is the most direct external manifestation of corporate service culture. In the process of service brand building of house furnishing malls in China, the external image system can be built in combination with the material culture establishment of service culture, so as to better allocate company resources and promote transmission of both culture and brand. In all, the establishment of service culture system serves as the foundation of establishing service culture and the basic strategy of service internalization of service culture of house furnishing malls in China. In summary, it is of positive significance for house furnishing malls in China to uplift service brand.

5.3 Limitation of the Study and Suggestions for Future Studies

5.3.1 Limitations of Study

This thesis conducts a case study research in a house furnishing mall in China, which has successfully built its service brand. On the basis of the case study, the author formulates a preliminary theoretical framework of service brand building, which is of important theoretical and practical value for service companies to build their brands. However, there are some limitations and shortcomings in the research. Due to the limitation in research time, research level and research condition, some shortcomings are inevitable in the whole research, which are mainly shown in the following aspects:

(1) Single case is studied in this research. The advantage of single case study is that deep and detailed analysis can be carried out for the problem. Although the author tries to choose the most representative case for research, the research is limited in lacking of comparison with relative cases. As a result, a universal theory is difficult to be proposed and results cannot be generalized. In the whole research, the author conducts empirical research in only one Service Company. As regional differences are huge in China, this thesis is short of trans-regional studies.

(2) In study of service brand building of house furnishing mall, the author only chooses one type—commercial tenant type, while other types, such as supermarket, convenience stores, boutiques and other retail and wholesale type of business are not touched upon. Meanwhile, as house furnishing malls in China are different from each other, further

discussions are required as whether the research conclusions are applicable to other house furnishing malls or not.

(3) In aspect of data collection, the research has collected a large amount of materials through collecting first hand and second hand data. However, as the author has determined the theoretical frame of the research on the basis of previous theoretical overview, which is conducive to analyzing the service brand building process of house furnishing mall in a systematic way, there is the possibility that some important information has been ignored. The author used the method of qualitative data analysis which is proposed by Lee (1999) to compute the frequency of elements of service brand building from in-depth interviews with senior and medium level managers and employees, and analyzed the history of the entrepreneur and other profile data, so as to examine the theoretical model of service brand building. However, due to difficulties in using quantitative methods in this case, the research fails to examine the quantitative questionnaire research and service brand building theory by combining the two.

(4) Finally, restricted by research time and research object, the author does not research systematically in the building of service brand from the angle of customers, so as to research in depth the effect of different customer perception on service brand building. However, this can be a research stream in the future. This thesis does not evaluate the effect of different service from the angle of customers so as to come to the conclusion of reasonable service level. However, service quality that goes beyond reasonable level is a waste of resource, because that service is a “double-edged sword”, and high-level service is often followed with high cost. Therefore, companies need to find a balanced point between satisfying service demand and the cost. This is also an aspect for research in the future.

(5) In respect of research conclusions, the research comes to the conclusion that the importance of incentive mechanism is not distinct. As for a normal company, paying importance to incentive mechanism will make service brand more effective. This thesis reaches the conclusion that personnel who do not contact with customers directly are seldom involved in service brand building. For a service company, the service brand building in the company is very important. Therefore, if more internal personnel who do not contact customers directly participate in the service brand building, the effect is better. Such

preliminary conclusions require more empirical and case studies for verification.

5.3.2 Recommendations for Future Studies

Based on the limitations of the research stated before, research in the future can be developed from the following aspects:

(1) In order to verify the universality of the preliminary service brand building theory model, follow up research can conduct trans-regional empirical investigation, and come up with more reliable research conclusions on the basis of trans-regional comparison. In aspect of research range and depth, research can be conducted to examine the service brand building process of house furnishing malls of different scale, level and type of business, so as to summarize the service brand building that suits the common ground of the whole house furnishing mall industry as well as the distinct characteristics of various kinds of house furnishing malls. To be specific, empirical research can be conducted by taking wholesale market, supermarket, convenience store and boutique and other retail or wholesale type of business, or other service industries as the objects. Compare the result of such empirical research to the result of this thesis, and further compare differences of different retail type of business in their building of service brand by means of multi-case study.

(2) Since this thesis mainly uses the method of qualitative research, quantitative questionnaires have not been used to verify the service brand building. Therefore, future research can adopt the research method of combining quantitative and qualitative research and use mature questionnaire of service brand theory to measure a company's service brand building behavior and compare it with coded service brand building, so as to further enhance research effectiveness. The research method of quantitative and qualitative research can be adopted in future research. By controlling service brand influencing factors, such as measuring customers' perception and emotional changes, further research can explore the influential mechanism of customer perceived experience and emotional experience on service brand equity. In terms of research depth, the characteristics and theory of service brand building can be summarized on the basis of research in service brand building of multiple house furnishing malls. In addition, it is difficult to examine the changes and development of service brand building of a company in different time from a vertical angle. Due to various

kinds of reasons, the author is not able to interview managers of competitors directly. In similar research in the future, interviews with managers of competitors can be added.

(3) Research on the impact of network marketing on service brand building should be conducted: On January 19, 2011, China Internet Network Information Center (CNNIC) released the “Statistic Report on the 27th China Internet Network Development State”. The research found out that by the end of December, 2010, China has 457 million netizens, an increase of 73.3 million people comparing with the end of 2009; there are 303 million mobile Internet users in China; the number of network shopping users has seen an annual increase of 48.6%; and online payment and online banking have also witnessed annual growth of 45.8% and 48.2% respectively, far ahead of other network applications, making them the applications with fastest growth of users. It shows that network applications of e-commerce have become the main forces of internet economy that grow with the most rapid speed. Online shopping and online entertainment are becoming the life style of Chinese customers. The instantaneity and interactivity of internet differ greatly from other consuming environment, and brings both opportunities and challenges to relative research in online customer experience and website service brand. Fusen Noble House online mall (attachment 5-1) started running in October, 2010. It is the first network marketing model in the country to enable customers to experience the effect of house furnishings in real housing environment, providing customers with the experience of strolling household market at home. However, due to short operation time, it is hard for us to evaluate the impact of online mall on service brand building. With further popularization of internet, relative research is bound to become the new frontier of research in service brand theory.

In short, Chinese home furnishing malls attach great importance to service brand, and have made some achievements in service brand building. Senior managers, customer information and marketing department are main forces that push forward the service brand building of home furnishing malls in China. Corporate strategy, organizational culture, incentive mechanism and company team ensure good systematic guarantee for service brand building. At present, there is not a complete system for service brand building of home furnishing malls in China, and the external marketing is more prominent. However, service

brand building of home furnishing malls in China also includes brand auditing, service brand identification, brand positioning statement and brand implementation. In a bid to enhance the core competitiveness of a company, Chinese managers of home furnishing malls must value the driving role of stakeholders in service brand building, standardize the internal process of service brand building, strengthen the building of service brand culture and perfect the guarantee mechanism of service brand building.

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Appendix

Attachment 3-1 Questionnaire of Service Brand of Fusen Noble House (for Tenants)

Distinguished tenants:

In order to provide excellent and value-added service better for you, we sincerely invite you to finish the following questionnaire *anonymously*. The information will be exclusively used for service improvement. Thanks!

Service brand research team of Fusen Noble House

1. The area you are in right now (Choose one) _____

- A. area one
- B. area two
- C. area three
- D. area four
- E. area five
- F. area six
- G. area seven
- H. area eight
- I. central area

2. What is your main operation? (Multiple choices) _____

- A. wood floor, door, panel
- B. suspended ceiling, aluminum composite section bar
- C. wall and floor tiles, bath and toilet appliances
- D. hardware fitting, paints and varnishes
- E. cabinet, electrical equipment, decorative lighting
- F. wallpaper, home textile, house decoration
- G. others

3. How long have you been in ‘Fusen Noble House’? (Choose one) _____

- A. less than one year
- B. one year to two years
- C. two years to three years
- D. three years to four years
- E. more than four years

4. What is the percentage of wholesale in your income? (Choose one)_____

- A. above 80%
- B. 60%—80%
- C. 40%—60%
- D. below 40%
- E. no wholesale, all retail

5. What do you think is the positioning of “Fusen Noble House”? (Choose one)_____

- A. medium and high end market
- B. low and medium end market
- C. low end market
- D. comprehensive building material market with all low, medium and high end market

6. What are the reasons that you choose “Fusen Noble House”? (Multiple choices)_____

- A. transportation, excellent geographic position
- B. good brand and mouth of word
- C. reasonable rent
- D. quality service
- E. standardized management

7. What do you think are the shortcomings of “Fusen Noble House”? (Multiple choices) _____

- A. imperfect supporting facility
- B. brand and word of mouth
- C. relatively high rent

D. insufficient whole process service for tenants and customers

E. some unreasonable charges (advertising expense)

F. unequal allocation of resources

G.others_____

8. If you leave “Fusen Noble House” in the future, what do think could be the reasons?

(Multiple choices)_____

A.there is another market with better transportation and geographic location

B.reduction of brand and word of mouth

C.excessively high rent

D.insufficient relative supporting service

E.inconformity of your own brand positioning

F.you will not leave G.others_____

9. Please evaluate “Fusen Noble House” from the following aspects: (Choose one)

(1) Market management_____

A. very satisfactory

B. satisfactory

C. average

D. unsatisfactory

E.very unsatisfactory

(2) Property Maintenance_____

A. very satisfactory

B. satisfactory

C. plain

D. unsatisfactory

E. very unsatisfactory

(3) Environmental sanitation_____

A. very satisfactory

B. satisfactory

- C. average
- D. unsatisfactory
- E. very unsatisfactory

(4) Banking outlets_____

- A. very satisfactory
- B. satisfactory
- C. average
- D. unsatisfactory
- E. very unsatisfactory

(5) Catering accommodation_____

- A. very satisfactory
- B. satisfactory
- C. average
- D. unsatisfactory
- E. very unsatisfactory

(6) Decoration of rest area_____

- A. very satisfactory
- B. satisfactory
- C. average
- D. unsatisfactory
- E. very unsatisfactory

(7) Washing room_____

- A. very satisfactory
- B. satisfactory
- C. average
- D. unsatisfactory

E. very unsatisfactory

(8) Public security service _____

A. very satisfactory

B. satisfactory

C. plain

D. unsatisfactory

E. very unsatisfactory

(9) Sightseeing vehicle _____

A. very satisfactory

B. satisfactory

C. plain

D. unsatisfactory

E. very unsatisfactory

10. What do you think of the promise of “Fusen Noble House”—“if you find price is higher in our retail tenants, we return you ten times of the price difference” _____

A. I know it, and agree with it very much

B. I know it, but do not believe in it

C. I don’t know about it

11. What do you think of the whole set of product quality guarantee system and customer complaint system of “Fusen Noble House”? _____

A. I know it, and agree with it very much

B. I know it, but do not believe in it

C. I don’t know about it

12. Please evaluate your area manager from the following aspects:

(1) What service is provided for you by your area manager? (Multiple choices) _____

- A. Property service (basic service such water and electricity, sanitation, security)
- B. Operation service (supervision on product quality, price, and handling of complaint)
- C. Marketing management (the planning and implementation of advertisement and promotion plan)
- D. Others_____

(2) What do you think is the service attitude of your area manager? (Choose one)_____

- A. very satisfactory
- B. satisfactory
- C. average
- D. unsatisfactory
- E. very unsatisfactory

(3) What do you think about the service capability of your area manager in terms of property management? (Choose one)_____

- A. very satisfactory
- B. satisfactory
- C. average
- D. unsatisfactory
- E. very unsatisfactory

(4) What do you think about the service capability of your area manager in terms of operation management? (Choose one)?_____

- A. very satisfactory
- B. satisfactory
- C. average
- D. unsatisfactory
- E. very unsatisfactory

(5) What do you think about the service capability of your area manager in terms of

marketing management? (Choose one)?_____

- A. very satisfactory
- B. satisfactory
- C. plain
- D. unsatisfactory
- E. very unsatisfactory

(6) Do you think it is effective to communicate with “Fusen Noble House” through area manager?_____

- A. effective
- B. not very effective, it is unitary
- C. temporarily unaware of

(7) General evaluation of your area manager (Choose one)_____

- A. very satisfactory
- B. satisfactory
- C. average
- D. unsatisfactory
- E. very unsatisfactory

13. Do you have other ideas or suggestions?

Attachment 3-2 Questionnaire of Service Brand of Fusen Noble House (for Customers)

Distinguished customers:

In order to provide excellent and value-added service better for you, we sincerely invite you to finish the following questionnaire *anonymously*. The information will be exclusively used for service improvement. Thanks!

Service brand research team of Fusen Noble House

1. You come to “Fusen Noble House” to (Choose one)_____
 - A. purchasing for yourself or family
 - B. decorating company purchase for customers
 - C. agency, wholesale
 - D. others

2. What do you think is the positioning of “Fusen Noble House”? (Choose one)
 - A. medium and high end market B. low and medium end market
 - C. low end market
 - D. comprehensive building material market with all low, medium and high end market

3. What are the reasons that you choose to shopping in “Fusen Noble House”? (Multiple choices)_____
 - A. transportation, excellent geographic position
 - B. good brand and mouth of word
 - C. quality service
 - D. standardized managemet
 - E. product quality is guaranteed
 - F. many promotion activities, and the price is competitive
 - G. one-stop purchase, variety of products

4. What do you pay most attention to when buying build materials? (Choose one)_____
 - A. convenient transportation
 - B. brand and word of mouth
 - C. standardized management

- D. guaranteed product quality
- E. low price
- F. one-stop purchase, variety of products

5. Please evaluate “Fusen Noble House” from the following aspects: (Single choice)

(1) Market management_____

- A. very satisfactory
- B. satisfactory
- C. plain
- D. unsatisfactory
- E. very unsatisfactory

(2) Property Maintenance_____

- A. very satisfactory
- B. satisfactory
- C. average
- D. unsatisfactory
- E. very unsatisfactory

(3) Environmental sanitation_____

- A. very satisfactory
- B. satisfactory
- C. plain
- D. unsatisfactory
- E. very unsatisfactory

(4) Banking outlets_____

- A. very satisfactory
- B. satisfactory
- C. average
- D. unsatisfactory

E. very unsatisfactory

(5) Catering accommodation_____

A. very satisfactory

B. satisfactory

C. average

D. unsatisfactory

E. very unsatisfactory

(6) Decoration of rest area_____

A. very satisfactory

B. satisfactory

C. average

D. unsatisfactory

E. very unsatisfactory

(7) Washing room_____

A. very satisfactory

B. satisfactory

C. average

D. unsatisfactory

E. very unsatisfactory

(8) Public security service_____

A. very satisfactory

B. satisfactory

C. average

D. unsatisfactory

E. very unsatisfactory

(9) Sightseeing vehicle _____

- A. very satisfactory
- B. satisfactory
- C. plain
- D. unsatisfactory
- E. very unsatisfactory

6. What do you think of the promise of “Fusen Noble House”—“if you find price is higher in our retail tenants, we return you ten times of the price difference” _____

- A. I know it, and agree with it very much
- B. I know it, but do not believe in it
- C. I don’t know about it
- D. I don’t care

7. What do you think of the whole set of product quality guarantee system and customer complaint system of “Fusen Noble House”? _____

- A. I know it, and agree with it very much
- B. I know it, but do not believe in it
- C. I don’t know about it
- D. I don’t care

8. By what channel do you know the promotion information of Fusen Noble House _____

- A. newspaper
- B. website
- C. television
- D. friends
- E. others

9. Do you have other ideas or suggestions?

Attachment 3-3 Questionnaire of Service Brand of Fusen Noble House (for Employees)

Distinguished employees:

In order to provide excellent and value-added service better for customers, and provide more spaces for employees, we sincerely invite you to finish the following questionnaire *anonymously*. The information will be exclusively used for service improvement. Thanks!

Service brand research team of Fusen Noble House

1. How long have you been working in “Fusen Noble House”? (Choose one)_____

- A. less than 3 months
- B. 3~6 months
- C. 6~12 months
- D. 1~2 years
- E. above 2 years

2. What do you think is the positioning of “Fusen Noble House”? (Choose one)_____

- A. medium and high end market
- B. low and medium end market
- C. low end market
- D. comprehensive building material market with all low, medium and high end market

3. What do you think are the reasons for tenants to choose “Fusen Noble House”? (Multiple choices)_____

- A. transportation, excellent geographic position
- B. good brand and mouth of word
- C. reasonable rent
- D. quality service
- E. standardized management

4. What do you think are the reasons for terminal custoemrs to choose “Fusen Noble House”? (Multiple choices)_____

- A. convenient transportation
- B. brand and word of mouth
- C. excellent service
- D. standardized management
- E. guaranteed product quality
- F. low price
- G. one-stop purchase, variety of products

5. What do you think that terminal customers pay most attention to when buying build materials? (Choose one)_____

- A. convenient transportation
- B. brand and word of mouth
- C. standardized management
- D. guaranteed product quality
- E. low price
- F. one-stop purchase, variety of products

6. What do you think are the shortcomings of “Fusen Noble House”? (Multiple choices) ____

- A. imperfect supporting facility
- B. brand and word of mouth
- C. relatively high rent
- D. insufficient whole process service for tenants and customers
- E. some unreasonable charges (advertising expense)
- F. unequal allocation of resources
- G. others _____

7. What do you think determine the future development of Fusen Noble House? (Multiple choices)_____

- A. perfection of supporting facilities
- B. further development of brand and word of mouth

- C. relative reasonable rent
- D. diversified marketing activities
- E. whole process service for tenants and customers

8. Please evaluate “Fusen Noble House” from the following aspects of basic service: (Single choice)

(1) Market management_____

- A. very satisfactory
- B. satisfactory
- C. average
- D. unsatisfactory
- E. very unsatisfactory

(2) Property Maintenance_____

- A. very satisfactory
- B. satisfactory
- C. average
- D. unsatisfactory
- E. very unsatisfactory

(3) Environmental sanitation_____

- A. very satisfactory
- B. satisfactory
- C. average
- D. unsatisfactory
- E. very unsatisfactory

(4) Banking outlets_____

- A. very satisfactory
- B. satisfactory

- C. average
- D. unsatisfactory
- E. very unsatisfactory

(5) Catering accommodation_____

- A. very satisfactory
- B. satisfactory
- C. average
- D. unsatisfactory
- E. very unsatisfactory

(6) Decoration of rest area_____

- A. very satisfactory
- B. satisfactory
- C. average
- D. unsatisfactory
- E. very unsatisfactory

(7) Washing room_____

- A. very satisfactory
- B. satisfactory
- C. average
- D. unsatisfactory
- E. very unsatisfactory

(8) Public security service_____

- A. very satisfactory
- B. satisfactory
- C. average
- D. unsatisfactory

E. very unsatisfactory

(9) Sightseeing vehicle _____

A. very satisfactory

B. satisfactory

C. average

D. unsatisfactory

E. very unsatisfactory

9. What do you think of the promise of “Fusen Noble House”—“if you find price is higher in our retail tenants, we return you ten times of the price difference” _____

A. I know it, and agree with it very much

B. I know it, but do not believe in it

C. I don’t know about it

10. What do you think of the whole set of product quality guarantee system and customer complaint system of “Fusen Noble House”? _____

A. I know it, and agree with it very much

B. I know it, but do not believe in it

C. I don’t know about it

11. Do you have other ideas or suggestions?

Attachment 4-1 “Fusen Noble House Building Material Headquarter” (Pictures and Introduction)



Note: on May, 8, 2002, the Building Material Headquarter of Fusen Noble House was officially built and began operation. Fusen Noble House building material market covers an area of about 880 mu. It has over 1500 tenants, occupying 100% of the market. It created 14,000 jobs, making itself one of the large-scale modern trade and business centers with the largest scale, most standardized management and biggest influence of western area of China.

Attachment 4-2 “Fusen Noble House International Mall” Phase 1 (Pictures and Introduction)



Note: on June 7, 2008, the “Fusen Noble House International Mall” (now changed as “Fusen Noble House Building Material Mall”), which covers an area of 100,000 square meters, was opened. It attracted 328 operation companies which occupied the whole mall. It gathered together as many as 368 high-end house furnishing brands from Europe, North America, and Hong Kong, Guangdong, Shanghai of China. Among them, 139 brands entered the market of western area of China through Fusen Noble House.

Attachment 4-3 “Fusen Noble House International Mall” Phase 2 (Pictures and Introduction)



Note: on July 30, 2011, the “Fusen Noble House Furniture Mall” officially operates. It covers an area of 68 mu, and the building area is 170,000 square meters. It attracted over 600 high-end furniture, housing decoration and large-scale house furnishing operators locally and from abroad. It created over 3000 jobs, and provided every house furnishing product that customers needed for decorating their house.

Attachment 4-4 Explanation of the Logo of Fusen Noble House (Pictures and Introduction)

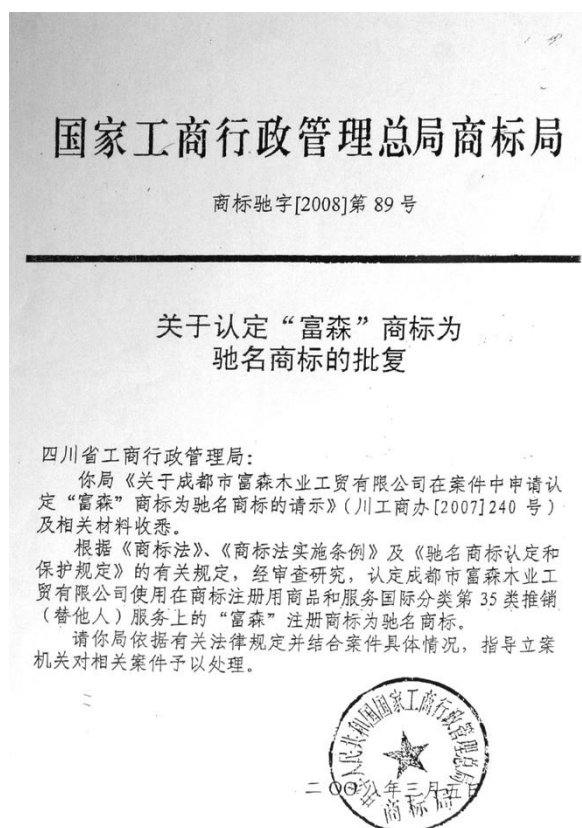


Note:

- (1) The yellow color stands for the strong operation of the company; the red color represents the abundant development vigor of the company.
- (2) The solid circle in the center means a red sun rises from the east, standing for the constant development vigor of the company.
- (3) The yellow diamond patterns around represent the basic mission of the company-laying bricks for people, implying to make contribution to people in improving the quality of their home life.
- (4) The eight small diamond patterns around the red circle compose a big diamond pattern, representing the stable development style and sustained development of the company.

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Attachment 4-6 “Fusen” Brand is Honored as “Famous Trademark of China” (Pictures and Introduction)



Note: in March 2008, “Fusen” trademark is honored as the “Famous Trademark of China” by the trademark office of the state administration of industry and commerce.

**Attachment 4-7 Fusen Noble House is Honored as “Sichuan Well-known Service Brand”
(Pictures and Introduction)**



Note: on December 31, 2009, Fusen Noble House is honored as “Sichuan Well-known Service Brand” by Sichuan Provincial Government.

Attachment 5-1 The Online Mall of Fusen Noble House (Pictures and Introduction)



Note: the online mall of Fusen Noble House is a combination of real mall and virtual mall. It takes the lead in introducing the “Three-Dimensional Imaging Exhibition Hall” and “replicates” the real Fusen Noble House home furnishing mall to the internet. Thus, wherever there is internet connection, customers can go shopping in Fusen Noble House, realizing the organic combination of “online general selection, offline refined selection, online purchasing and offline purchasing”.