

# Antecedents of Internal Branding-A Conceptual Study



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*Brand building is considered to be one of the major critical success factors for an organization's competitive advantage. Unlike external brand building efforts, unique and inimitable brand building activities are highly relevant in today's competitive scenario. Internal branding is one such activity where the brands are built inside out by means of successful brand promise delivery of the committed employees at the customer-interface. This conceptual study aims at examining the set of antecedent factors of the internal branding mechanism through extensive literature review of the previous studies in this area.*

**Keywords:** Internal Branding, Employee Commitment, Brand Promise Delivery

## 1. Introduction

Brand building has a critical role in the 'holy grail' of an organization's competitive advantage. Strong brands deliver high revenue flow and develop better brand-customer relationship. Today's brand building efforts are looking for innovative ways of value creation process by means of exceptional and incomparable strategies for customer retention (Fournier, 1998; Foster et. al, 2010; and Punjaisri & Wilson, 2011). Brand is a bundle of functional and emotional attributes (de Chernatony, 2001 and de Chernatony & Segal, 2003). Unlike the focus on the tangible functional attributes of a brand, an emerging approach to branding exercise focuses on the intangible and internally driven emotional attributes connecting the brand emotionally with the customers (deChernatony,2001).Brands should be unique in not only what they offer to customers but also in how it is offered (de Chernatony, 2001 and Barnes,2003). As a result of this perspective, organizations recognize that the employees at the customer interface who deliver the brand promise to customers are the representation of their brand which connects their brands with the customers especially in the service industries (Punjaisri, 2007; Punjaisri et.al,2009; and Punjaisri& Wilson,2011). The paradigm shift in marketing from goods- centric logic to service centric logic of Vargo and Lusch (2004) highlighted the role of employees as the primary customers who deliver the value-adding activities to reach the customers. A shift from external branding to shaping a brand promise that integrates the organizational philosophy into the delivery of brand promise offers a more balanced approach to align external and internal brand building for all the stakeholders not just for their customers (de Chernatony, 2001 and de Chernatony& Segal, 2003).

Literature has acknowledged that direct interactions between employees and customers are crucial for successful brand building (de Chernatony, 2001; de Chernatony& Segal, 2003; and Bergstrom et. al, 2002). The brand promise delivery of the committed employees at the customer-interface develop and nurture the brand inside out. Selling the brand need to start from within the organization to the internal customers before it is sold to external customers (Mitchell, 2002).Internal branding is the strategic process that aligns and empowers the employees to internalise the brand promise in order to deliver the expected customer experience (Mac Laverty et.al,2005,2006& 2007; and Punjaisri &Wilson, 2011).A systematic literature review that allows to map the domain of internal branding and to develop of a conceptual framework of internal branding is conducted for this study. The conceptual framework tries to classify the antecedent factors of internal branding based on the understanding derived from the existing conceptual and empirical descriptions on this field.

## 2. Literature Review

### 2.1 Internal Branding

Based on certain definitions prevalent in the literature, internal branding comprises of the set of activities through which brands facilitate the internalization of brand values by its employees in order to align the employee behaviour with the brand values when delivering the brand promise (de Chernatony, 2001; Bergstrom et. al, 2002; Punjaisri et al, 2009; Vallaster and de Chernatony, 2005; Burmann, Zeplin& Riley, 2005 and King and Grace, 2009; 2012). Internal branding aims at positively influencing the employees' attitudes that subsequently influence the customers' emotions towards the brand (de Chernatony, 2001 and Barnes, 2003). Employees gain brand values through the internal branding process, which enable them to deliver the same value to its stakeholders (Punjaisri, 2007; Punjaisri et.al, 2009; and Punjaisri & Wilson, 2011). Internal branding also fosters certain behavioural and attitudinal outcomes to align employee behaviour with brand values. Three vital outcomes of internal branding that are mentioned in the literature include brand identification, brand commitment and brand citizenship behaviour (Burmann and Zeplin, 2005; King and Grace 2012). Employee job satisfaction and employee retention are the additional positive consequences of internal branding process. It is also found from literature that employee branding is a synonymous term for internal branding (Miles & Mangold, 2007, Miles et al, 2011 and King & Grace, 2009). The degree to which employees know and understand the desired brand image and the extent to which employees honour their psychological contract is defined as employee branding (Mangold and Miles, 2007). To broaden the scope of brand building

from customer perspective to employee's perspective, the conceptualization of Employee based brand equity (EBBE) has enabled to measure the effects of employees' brand knowledge on internal branding (King & Grace, 2009).

## 2.2 Internal Communication

Communication unequivocally engages not only its customers to build brand loyalty and commitment that eventually build customers' life time value (CLV) but also its employees and thereby brand equity (Miles & Mangold, 2007). Their Employee brand commitment pyramid (EBCP) model argues that clarity of internal communication system articulates the desired brand image, brand values and appropriate employee motivation for achieving the desired brand behaviour of employees. An organization needs to communicate what it stands for, its vision and how it is positioned to cater to its target customers (Simoes & Dibb, 2001). A consistent message system is essential to gain appropriate employee behaviour for the delivery of the desired brand image and to motivate employees (Punjaisri & Wilson, 2011). Internal branding inspires 'speaking in one voice' (Mahner & Torres, 2007). They recognized the basic principles of internal branding construct as employees who deliver the desired brand values and effective communication for aligning the employee behaviour. Brand training has a positive impact on communication that further encourages brand identification, brand loyalty and brand commitment among the employees (Sharma & Kamalanabhan, 2011). Since training is one of the four constituents of internal administration perspective, it plays a strategic role in integrating its employees in the branding process and in transforming them into embodiments of brand values (Papasolomou & Vrontis, 2006). Internal communication enables the employees to convert the customer touch points into opportunities of fulfilling the brand promise (Punjaisri et al, 2009).

## 2.3 Leadership

The key determinants of internal branding in the holistic model of Burmann, Zeplin and Riley (2009) are leadership practices, communication practices and employees' brand knowledge. Meanwhile the organization's image is represented to the stakeholders through its employees, the leaders need to offer guidance and motivation to them in delivering the desired brand image (Miles and Mangold, 2007). The mediating role of leadership in building internal brand practices has been researched by Vallester & de Chernatony (2006) and Punjaisri et. al (2009). Brand oriented leadership of top management drives the internal branding process in achieving employees' emotional attachment to the brand. A leader who 'walks the talk' has been explained as leaders who 'live the brand' in order to be effective role- models for employees to live the brand (Nicholas Ind, 2002). The mediating role of internal branding in terms of brand performance has been theoretically studied to indicate that internal branding can intensify employee loyalty to an organisation (Iyer et al. 2018).

## 2.4 Rewards

Rewards play a key role in internal branding formulation and have a significant positive relationship with brand commitment and brand citizenship behaviour (Shaari et al, 2012). Regularly revised reward systems enable employee loyalty that is essential for building strong brands. The messages originating from the organization should be proactively designed to reflect the expected employee behaviour and attitude towards the brand and the corresponding rewards for it. (Miles, & Mangold, 2005). Several studies have conceptualized that rewards schemes are vital for motivating employees' brand-consistent behaviour (Punjaisri & Wilson, 2007; MacLavery, McQuillan, and Oddie, 2008), MacLavery et al. (2007), Papasolomou and Vrontis, 2006). While rewards are considered to be crucial for inspiring the employees with brand-consistent behaviour only few studies have proved the influence of rewards on employees' brand citizenship behaviour (Burmann, Zeplin and Riley, 2009).

## 3. Research Design

A comprehensive review of relevant literature internal branding has been conducted for this study. The study has attempted to elicit major antecedent factors that lead to internal branding mechanism. These antecedent factors have been portrayed in a conceptual model that identifies the establishment of the causal dimensions of internal branding mechanism. For the purpose of this study internal branding is treated as a multi-dimensional construct based on the findings from the previous studies.

### 3.1 Research Questions

With the help of literature review, the major research question framed is to find out what are the dimensions that leads to the internal branding mechanism. Connecting the antecedent factors that are drawn out of the literature survey, this research frames a conceptual model of the internal branding mechanism.

### 3.2 Objectives of the study

The major objective of this research work is to design a conceptual model of the internal branding process by connecting the various factors that are identified to be antecedent to internal branding through the synthesis of previous researches. This model tries to connect the various dimensions of internal branding that depicts the cause-effect relationship between them. While the study underpins the rationale behind the various factors that causes the internal branding it also investigates the interrelated factors that are derived out of internal branding process. As an evidence to how internal branding contributes to a company's success, some real business contexts are also discussed here.

### 3.3 Conceptual Model of Antecedents of Internal Branding Mechanism

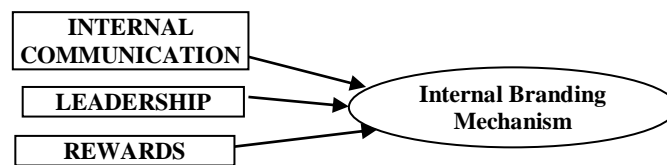


Figure 1 Antecedents of Internal Branding Mechanism

## 4. Discussion

As explained in the Figure.1 of this study, the three major antecedent factors that leads to internal branding process are identified to be internal communication, leadership and rewards. This study has extended the boundaries of literature in internal branding by linking the antecedent factors of internal branding practices. Further studies to test the mediating role of internal branding to build employee commitment and customer brand relationship are implicitly driven from the model. This study has revealed that brand knowledge and brand rewards have significant relationships to brand citizenship behaviour. These conceptual findings are found to be consistent with the findings of the previous studies of Mitchell (2002), Miles & Mangold (2005) and Punjaisri et al. (2009) who suggested that internal branding practice encompasses internal communication, leadership practices and reward schemes so as to encourage brand-consistent behaviour. Due to the overlapping nature of internal branding, a coordinated expertise of human resources and marketing functions is essential for the successful brand promise delivery of the employees (Punjaisri & Wilson, 2007). Papasolomou & Vrontis (2006) recommended four elements for successful internal brand management in their retail banking-based study. The primary element is the pivotal role of employees to be the internal customers. Training and development programmes to build brand knowledge among the employees and reward system to urge the employees to meet the expected brand promise of the organisation are the other two major elements. Lastly, setting higher internal standards of on-brand performance is the fourth element.

### How Successful Companies Practice Internal Branding

Certain instances of those companies whose onus of their success is vested on internal branding are narrated in this paragraph. Nike started their brand training through the story telling sessions that articulates their story of origin from its founder Phil Knight's time ([www.nikebiz.com](http://www.nikebiz.com)). To espouse the brand values of UPS courier service through its employees, their delivery vans and the staff dress code are coloured in US army's dark blue and orange to convey the discipline and punctuality of US military force. Corresponding to the core values of its brand, South West Airlines follows a rigorous recruitment process during which the candidate's personality right from pilots to mechanics are checked if it can cater to deliver their brand promise (Mitchell, 2002). The ex-CEO of HCL Technologies, Vineet Nayar (2011) described in his book 'Employees First Customers Second' how he successfully adopted the employee oriented EFCS approach to turnaround the company by means of building a sense of ownership of the brand in its employees. Using the SAAB Way training which encouraged the voluntary participation of every employee from front office to product design and distribution SAAB Motors repositioned their brand essence under 'unconventional' training methods like a videotape called 'Pillars of the Brand' (Bergstrom et al., 2002). Volvo's hybrid car named Cross Country's design was driven out of customer-focused needs that were identified by the employees in the concept development team who focused on its customer perceptions and lifestyles. This initiative enhanced Volvo's appeal more emotionally engaging rather than functionally ([www.fastcompany.com](http://www.fastcompany.com)). In his book *Living the Brand*, Nicholas Ind (2001) mentioned the internal branding techniques of the adventure sports company Quiksilver where the courageous innovation of the sportswear brand Quiksilver was co-created through listening, sharing knowledge and experimentation of its long tenure employees with the sports they served. The Indian automobile giant, Maruti Suzuki India Ltd (MSIL) withstands the growing competition using their customer-centric strategies that are internalised by their service-oriented workforce ([www.msil.ogr](http://www.msil.ogr)). As cited from *The New York Times* (25 July 2001): "Companies have become painfully aware that sending the right message to their employees is just as important as making a good impression with customers, vendors and investors".

## 5. Conclusion

The major intention of this study was to explore the causal factors of internal branding process. The antecedent dimensions that are identified in this conceptual study underpin the implications for marketing practitioners to recognize the role of employees in the brand building efforts as much as to acknowledge the role of customers to sustain the competitive advantage. This outlook also brings in the dual identity of internal branding which overlaps between Human Resource Management and Marketing Management. This conceptual study highlights the relationship among the three major causal dimensions of internal branding. Obviously, managers can use internal branding for delivery of the brand promise. While on the other hand, they can deploy internal branding for the organization's successful brand promise delivery by means of aligning employee behaviour with the organizational values. This study adds to the current body of knowledge with the dimensions that are depicted in the conceptual model. The conceptual model presented in this study goes beyond the existing

literature by bringing about a framework, which, if incorporated in an organization can build strong employee branding. The process includes, but is not limited to, internal communication, training programs, leadership practices, reward and recognition programs (Mac Laverty, N., McQuillan P and Oddie H; 2005, 2006 & 2007).

## 6. Scope for Further Research

The major limitation of this study is that it pertains to the secondary data based on the literature review of internal branding. A conceptual model derived from the interrelated antecedent factors of internal branding explicitly explains the meaning of the dimensions that are identified. These factors can be empirically validated with primary data in further studies. Moreover, the dimensions can be measured to examine the extent of influence each of them has on internal branding. A fair comprehension of internal branding process that is displayed through this conceptual model can be enhanced through empirical studies. Further sound and consistent studies in employee branding programs can experiment how internal branding leads to higher job satisfaction and productivity.

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