DIMENSIONS OF INTERNAL BRANDING - A CONCEPTUAL STUDY

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ABSTRACT

Brands are treated as a critical success factor for generating competitive advantage. Hence brand building efforts are keen to adopt unique ways of value creation process and to deepen the brand-customer relationship. A shift in the focus of organizations to customer-centric perspective from goods-centric perspective recognize brand as an entity of functional and emotional values. This approach to brand management has evolved when the attention of the branding exercise is focused on intangible and internally driven emotional attributes. When brands connect emotionally with the customers, the point of difference is not just in what customers receive but also in how they receive it. The purpose of this research is to provide a conceptual framework of the internal branding process based on the critical review of relevant literature in the domain. The study underpins the rationale behind the relationship between the various dimensions that causes and effects the internal branding mechanism. Some companies whose onus of their overall success of internal branding is added as evidence for the practical implications of internal branding. Since a brand is much more than a “recognition factor” it is more of a “feeling good” factor that builds a strong customer-brand relationship. Future research can empirically study the dimensions identified in this conceptual study.

Keywords: Branding, Brand Customer Relationship, Corporate Branding, Internal Branding.

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1. INTRODUCTION

In an era of severe competition, organizations struggle to realize the ‘holy grail’ of its competitive advantage. Brands have a critical role in building competitive advantage because strong brands provide high revenue flow and deepen the brand-customer relationship. Today’s brand building efforts are looking for new ways of value creation process to have unique and inimitable strategies for customer retention (Aaker, 1991; Aaker, 1996; Fournier, 1998; Keller, 2008; Foster et. al, 2010; and Punjaisri & Wilson, 2011). This perspective recognizes brand as an entity of functional and emotional values (de Chernatony, 2001; Keller &Lehmann, 2006; and Keller, 2008). Sustaining the competitive advantage by focusing on the unique functional values of a brand paved the way to a new approach to brand management where the attention of branding exercise focus on intangible and internally driven emotional attributes (de Chernatony, 2001). Such brands maintain strong, favorable and unique brand associations unlike its product features to drive unparalleled emotional attributes as its unique selling proposition (Keller, 2008). To connect emotionally with the customers, brands should be unique in what they offer to customers as well as in how they receive it (de Chernatony, 2001 and Barnes, 2003). As a result of this new school of thought, organizations recognize that the employees who deliver the brand promise to customers are the embodiment of their brand which connects them with the customers (Punjaisri, 2007; Punjaisri et.al, 2009; and Punjaisri & Wilson, 2011). The set of activities that equip the employees to internalise the explicit and implicit brand promise in order to deliver the appropriate customer experience with the brand is termed as internal branding (Mac Laverty et.al, 2005, 2006 & 2007; and Punjaisri & Wilson, 2011).

3. REVIEW OF LITERATURE

The paradigm shift in marketing from goods- centric logic to service dominant logic of Vargo and Lusch (2004) emphasized the role of employees as the primary customers who deliver the value-adding activities to reach the customers. A brand is a physical manifestation of a promise that comprises of both functional and emotional attributes that offer a memorable brand experience and strengthens the brand-customer relationship (de Chernatony, 2001). A shift from external promise-centered 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, 2001). The need to share a common meaning on the firm’s value proposition implies that all the employees being service-providers; service ought to be the core of value creation (Vargo & Lusch, 2004). Employees are more likely to present a coherent and genuine brand promise to the customers when the organization empower them with an integrated brand offering that communicates both the functional as well as emotional values (King & Grace, 2008).

As a result of the changing market dynamics, customer preferences, technology and competition it is imperative to frame effective strategies to build and sustain an organization. Several studies have emphasized the significance of the tangible attributes for customer-orientation. Having recognized that tangible attributes alone and its derivatives were eventually of lesser help to provide a competitive edge for the firm, the insight behind intangible and inimitable strategies to win the business has been gaining attention. A brand is a physical manifestation of a promise. It is a perception of an emotion or a feel that delivers the core competencies (de Chernatony, 2001; de Chernatony & Segal, 2003; and Bregstrom et. al, 2002). The strategic significance of branding has been explored by the marketing theorists and practitioners over the past decade (Balmer, 1995; Hatch & Schultz, 2003; and Keller, 2008).
2.1. Internal Branding

Internal branding consists of those set of activities that equip the employees to internalise the explicit and implicit brand promise in order to deliver the appropriate customer experience with the brand (Punjaisri & Wilson, 2011). They addressed the significance of internal stakeholders in using the brands for transforming an organization towards customer orientation. This study elaborates on the employee’s predisposition to meet customer needs in the given job influence their performance and their individual personality traits. Mitchell (2002) stated that the need for selling the brand need to start from within the organization to the internal customers before it is sold to external customers. According to Canadian Marketing Association (Mac Laverty et. al, 2005, 2006 & 2007) internal branding is the strategic process that aligns and empowers employees to deliver the appropriate customer experience. In order to realize customer expectations, an implicit and explicit knowledge of the organization’s brand is essential. By adopting internal brand management practices, customers brand expectations can be aligned with employee performance, internal systems and organizational culture (King & Grace, 2009).

In short, internal branding is argued to be instrumental in promoting the brand inside the organization by means of creating employees’ understanding of brand values and subsequently shaping their behavior (de Chernatony, 2001; Bregstrom et. al, 2002; and Punjaisri et al, 2009). The degree to which employees know and understand the desired brand image and the extent to which employees honor their psychological contract is defined as employee branding by Mangold and Miles (2007). It is also found from literature that employee branding is a synonymous term for internal branding (Miles & Mangold, 2007 and King & Grace, 2009).

2.2. Internal Branding and Internal communication

When a brand incorporates what the organization stands for it needs to communicate how it is positioned to benefit target customers’ expectations (Simoes & Dibb, 2001). Since communication helps to engage customers it is equally important to communicate to employees who deliver the brand promise. While the engaged customers add to the brand equity an engaged employee build brand loyalty and brand commitment that eventually builds customers’ life time value (CLV) and thereby brand equity (Miles & Mangold, 2007). Clarity of communication system that articulates the desired brand image, brand values and appropriate employee motivation are the key suggestions of Miles & Mangold model of Employee brand commitment pyramid (2007) for achieving the desired business behavior of employees. To gain the appropriate employee behavior for delivery of the desired brand image and to motivate employees, a consistent and clear external and internal message system both formal and informal in nature is inevitable (Punjaisri & Wilson, 2011). Internal branding encourages ‘speaking in one voice’ (Mahnert & Torres, 2007). Their study identified the core principles of internal branding construct as committed employees who deliver desired brand values, effective communication for brand promise delivery and internal branding process for aligning the behavior and attitude of management and staff at all level of organization.

2.3. Internal Branding and Training Programs

According to Punjaisri and Wilson (2011), internal communication tools and training programs are found to be the relevant information tools to build internal branding. Gaining competitive advantage from internal branding is studied across the literature reviews with regard to internal communication that is guided by managers who has to lead by examples (Punjaisri, et al., 2009; Punjaisri & Wilson, 2011). Internal communication through training programs can help to align employee behavior with corporate values (de Chernatony & Segal-Horn, 2003). The role of communication practices on building organization’s image which is represented through its employees are highlighted in the study of Burmann, Zeplin and Riley (2008). By adopting
internal brand management practices, the brand expectations of customers can be aligned with internal systems of the organization and thereby with employee performance (King& Grace, 2009).

2.4. Internal Branding and Leadership

The key determinants of internal branding initiatives in the holistic model of internal brand management of Burmann, Zeplin and Riley (2008) are leadership practices, communication practices and employees’ predisposition, knowledge and personality traits. Since the organization’s image is represented to other stakeholders through its employees those leaders who want to nurture branding practices 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). Moreover, the relevance of a leader who ‘walks the talk’ has been emphasized by Nicholas Ind (2002) suggesting that leaders live the brand in order to be effective role- models for employees to live the brand.

2.5. Brand Commitment and Internal Branding

The Employee Brand Commitment Pyramid (EBCP) model of King and Grace (2008) conceptualizes the manifestation of employee brand knowledge in brand commitment that gets reflected on the appropriate delivery of the brand promise. According to this model, organization’s respect for the employees’ contribution to the organizational outcomes build an emotional connect and commitment that manifest in internal brand management. The differential effects of an organization’s internally-oriented initiatives on human capital provide a subsequent impact on raising the level of commitment. An incremental effect on brand commitment is derived from the positive perception of employee’s relationship with the organization that influences them to go beyond the call of duty. Though internal branding is rooted in internal marketing where the employee motivation tools are designed to deliver customer satisfaction (Rafiq & Ahmed, 2000) internal branding is about creating a shared understanding of brand promise delivery through the practice of internal marketing (Punjaisri et. al, 2009). A study of Punjaisri & Wilson (2007) proved that internal branding has a direct influence on employees’ brand promise delivery and employees’ attitude towards the brand which in turn has an influence on employees’ performance. There is a greater chance of internal loyalty and brand commitment leading to successful brand promise delivery when everyone internally believes in brand values (de Chernatony and Segal-Horn,2003).

In order to fulfill customer expectations, an implicit and explicit knowledge of the organization’s brand can align the offering with the customer expectation through appropriate behavior of employees (Miles & Mangold model, 2007). By adopting internal brand management practices, customers brand expectations can be aligned with employee performance, internal systems and organizational culture (King& Grace, 2009). Their employee-based brand equity (EBBE) model conceptualized the manifestation of employee brand knowledge in role clarity and commitment that gets reflected on the appropriate delivery of the brand promise. A higher level of commitment that is beyond the call of duty can be derived from the positive perception of employee’s relationship with the organization.

2.6. Corporate Branding and Internal Branding

The success of corporate marketing largely relies on employee’s attitudes and behaviors to the multiple stakeholders. Since internal branding has a key role in aligning employee behavior with the brand values the success of corporate branding remains dependent on the employees who deliver the brand promise (Foster et.al,2010). Such customer facing employees are the
interface of the internal and external world of the brand and hence are capable of influencing the brand perception of customers and other stakeholders (Punjaisri & Wilson, 2007). Studies that identify employees as the primary customers are in isolation though several studies have implicitly mentioned how internal brand building unlocks the corporate brand building potential of an organization by consistently applying the shared beliefs of an organization and make a distinctive difference for customers (Schultz & de Chernatony, 2002). Their argument strongly affirms that the role of staff in building corporate brands will enable firms to develop highly sophisticated branding programs. Their foresight also suggests that when corporate branding is shifting from an externally focused marketing to strategic framework, managers have to address an alignment between the internal and external dimensions of branding. To study the factors contributing to corporate brand building, the researchers suggest a pan-company training on internal communication, brand architecture and living the brand programs apart from appropriate leadership style (Hatch & Schultz, 2003; Schultz & de Chernatony, 2002 and Vallette & de Chernatony, 2006).

2.7. Customer Experience and Internal Branding
Organizations have identified the new perspective of marketing in contrast to the traditional marketing. Experiential marketing focuses on offering emotional values that are connected with sensory, emotional, cognitive and behavioral values of customers. Since the customers are emotionally and rationally driven to their decision-making, generating thoughts, feelings and sensations are important for influencing the post-purchase period during consumption (Schmitt, 1999). Schultz and de Chernatony (2002) posited that employees at the customer interface fulfill the expected brand experience by delivering the brand promise. For the long-term success of a brand, customer brand relationship variables like trust and brand attachment has a key role in the buying behavior. In order to develop customers’ trust and make them feel attached to it, experiential marketing techniques strengthen the customer brand interactions and emotional connections (Schmitt, 1999). A case of redesigning Saab motors as a turnaround strategy describes employee- customer relationship as an outcome of internal branding (Bregstrom et. al, 2002). The impact of the message system rooted on the organization’s value contributes to employees’ brand knowledge, their delivery of brand promise and thereby customer experience (Punjaisri, 2007).

2.8. Customer-Brand Relationship and Internal Branding
When brands and companies mean something special and occupy a special place in consumers’ heart and mind they speak eloquently and passionately about such brands and it become an integral part of their life. Borrowing from the context of human-relationship dimensions her work identifies six dimensions of relationship namely love and passion, self-connection, interdependence, commitment, intimacy and partner quality (Fournier, 1998). Before the brand promise is sold to its customers, companies need to sell it to their employees on what need to be done for effectively transmitting the brand values with customer orientation and why it should be done (Mitchell, 2002). Barnes (2003) argues that the key to the creation of meaningful customer relationship lies in a brand or company striking the right chord with customers that extends well beyond occupying a special place in their lives as much as a trusted partner. To encourage a shared understanding on customer brand relationship, customers’ trust in the brand need to be strengthened so as to fulfill the expected customer experience through expected brand promise delivery (Punjaisri et. al, 2009). This being the case, employee brand relationship is a prerequisite to the customer brand relationship.
3. RESEARCH DESIGN
A comprehensive review of relevant literature from branding and internal branding allowed the identification of the major dimensions that leads to internal branding mechanism. The model identifies the establishment of the causal dimensions of internal brand management and in turn the resulting dimensions that are the outcomes of internal branding. For the purpose of this study internal branding is treated as a multi-dimensional construct from the analysis of secondary data.

3.1. Research Questions
The purpose of this study is to identify the dimensions of the internal branding process. With the help of literature survey, the research questions are framed as a first step towards framing the conceptual model. The major research question is to find out what are the dimensions that are interrelated with the internal branding mechanism.

3.2. Objectives of the study
The main objective of this research is to display a conceptual framework of the internal branding process by linking its various dimensions that are identified from exploring the previous researches. The framework tries to connect the dimensions of internal branding which 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 factors that derive from internal branding process. Success stories of several companies whose onus is on internal branding are added as evidences to its effects on practical implications.

4. RESULTS
Based on the literature reviews of several articles on internal branding, a secondary data analysis was conducted to explore the major factors that influence internal branding and to identify the major factors that are influenced by internal branding. The subsections given in the literature review of this study offers a meta-analysis on internal branding.

4.1. Conceptual framework of Internal Branding Process

Figure 1 conceptual model of internal branding process
This conceptual model underpins the causal linkages as well as the effects or the outcomes of the internal branding. Theoretical framework that is driven out of the previous research work in this area substantiates the rationale behind the model. The model depicts internal communication, training programs and leadership of the firm as the dimensions that cause internal branding process. Whereas corporate branding, customer experience and customer brand relationship are identified as the major effects of internal branding process. While drawing the dimensions of internal branding it can be defined as an aggregate construct of internal communication, training and leadership dimensions. The reflective dimensions could be operationalized in brand commitment, corporate branding, customer experience and customer brand relationship. Borrowing the insights gained from previous research works that are elicited in the literature review part of this study, the conceptual framework depicted here substantiates that the inter-related dimensions drawn from the literature survey are found to be relevant and significant for internal branding process.

4.2. Implication to Practitioners
Certain companies whose onus of success is on internal branding process are cited here. Nike’s Just Tell It campaign, the dress code of UPS, recruitments in Southwest Airlines based on their core values, internal branding as turnaround strategy in Saab Motors, design of Volvo’s hybrid car Cross Country, ‘employee first, customer second’ during the change of leadership in HCL and Maruti Suzuki’s ‘Way of life’ training are a few to mention. As a means of turnaround, to the redesign of a fading product, there are manifold manifestations to the effects of internal branding. Based on the tools of internal branding such as internal communication style, training programs and leadership skills the dimensions that are instrumental to its successful implementation are also varied.

5. CONCLUSION
The major purpose of this study is to explore the causal factors and the effect factors of internal branding. The dimensions identified in this conceptual study underpin the implications for marketing practitioners to recognize the role of employees in the brand building efforts as much essential as acknowledging customers to sustain the competitive advantage. This perspective also brings in the dual identity of internal branding which exists between Human Resource Management and Marketing Management. In line with the previous studies this conceptual study highlights the relationship among the three major causal dimensions and three effect dimensions. On one hand, 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 overall success by means of aligning employee behavior with the organizational values. This study adds to the current body of knowledge with the dimensions that are depicted in the conceptual model.

5. SCOPE FOR FURTHER RESEARCH
This study pertains to the secondary data based on the literature review of internal branding. It has enabled to frame a conceptual model derived from the interrelated dimensions of internal branding. Moreover, the explicit meaning of the dimensions that are identified can be empirically validated with primary data. Moreover, the dimensions can be measured to examine the magnitude of influence each of them has on internal branding.
REFERENCES


