

# **Internal Branding: An Enabler of Employees' Brand-Supporting Behaviours**

## **Abstract**

**Purpose:** The aim of this paper is to understand the internal branding process from the employees' perspective; it will empirically assess the relationship between internal branding and employees' delivery of the brand promise as well as the relationships among their brand identification, brand commitment, and brand loyalty.

**Design/methodology/approach:** On a census basis, a quantitative survey was carried out with 699 customer-interface employees from five major hotels.

**Findings:** Internal branding is found to have a positive impact on attitudinal and behavioural aspects of employees in their delivery of the brand promise. As employees' brand commitment did not have a statistically significant relationship with employees' brand performance, it was not regarded as a mediator in the link between internal branding and employees' brand performance. Furthermore, the study shows that brand identification is a driver of brand commitment, which precedes brand loyalty of employees.

**Practical Implications:** A number of significant managerial implications are drawn from this study, for example using both internal communication and training to influence employees' brand-supporting attitudes and behaviours. Still, it should be noted that the effect of internal branding on the behaviours could be dependent on the extent to which it could effectively influence their brand attitudes.

**Originality/value:** The results provide valuable insights from the key internal audience's perspectives into an internal branding process to ensure the delivery of the brand promise. It has empirically shown the relationship between internal branding and the behavioural

outcome as well as the meditational effects of employees' brand identification, commitment, and loyalty.

**Keywords:** internal branding, brand identification, brand commitment, brand loyalty, brand promise delivery

**Paper Type:** Research paper

## **1. Introduction**

Service branding heavily relies on employees' actions and attitudes (de Chernatony and Dall'Omo Riley, 1997). Service employees become central to the delivery of a brand promise at each service encounter. Because of their influences on customers' brand perception, a service organisation needs to ensure that their employees are delivering the service at the quality level promised by its brand. Despite the importance of the consistent delivery of the brand promise, that service brands involve human interactions poses the problem of unpredictability for the process of service branding.

Internal branding has recently been proposed as an enabler of an organisation's success in delivering the brand promise to meet customers' brand expectations set by various communication activities (e.g. Drake, Gulman, and Roberts, 2005). A number of authors (e.g. Boone, 2000; Buss, 2002) have witnessed the steady growth of internal branding's popularity among corporate giants such as Southwest, Sears, BASF, IBM, and Ernst & Young. These examples reflect the power of an informed workforce committed to delivering the brand promise. Recently, the 'internal branding' concept has captured the interest of both academics and practitioners. Most of the studies focused on the perspective of management and consultants although employees are considered targeted internal audience of an internal branding campaign. Moreover, while some studies have provided empirical evidence for the link between internal branding and employees' brand commitment (e.g. Burmann and Zeplin,

2005), some have focused on the relationship between internal branding and employees' brand loyalty (Papasolomou and Vrontis, 2006a, b). However, the literature has argued for the influence of internal branding on employees' brand-supporting behaviours (e.g. Boone, 2000; de Chernatony and Cottam, 2006; de Chernatony and Segal-Horn, 2001; Hankinson, 2002; Kotter and Heskett, 1992). However, that internal branding could shape employees' behaviour is largely based on the assumption that when employees understand and are committed to the brand values inherent in the brand promise, they will perform in ways that live up to customers' brand expectations. Therefore, this link still necessitates the empirical evidence. This study aims to understand the internal branding process from the employees' perspective; it will empirically assess the relationship between internal branding and employees' brand performance in terms of their delivery of the brand promise as well as the relationships among different brand attitudes (i.e. brand identification, brand commitment, and brand loyalty). To achieve its objectives, a quantitative survey conducted with 699 customer-interface employees from 5 major hotels was carried out.

## **2. Effects on Employees' Attitudes and Behaviour**

As some authors (e.g. Olins, 1995; O'Loughlin, Szmigin, and Turnbull, 2004) have argued for the importance of service brands to keep the promise made to customers, the central role of service employees in service branding is emphasised. They are argued for their influences on customers' brand perceptions (e.g. Berry and Lampo, 2004). The Services Marketing Triangle which has been promoted by a number of authors (e.g. Bitner, 1995; Grönroos, 1990; Kotler, 1994) also emphasises the importance of keeping the brand promise that is proposed to customers. The three important components include the company, the provider, and the customers. The company engages itself in any activities to set up customers' perception and make promise to customers. Delivering the promise depends on employees who, during service encounters, determine whether the promise is kept or broken. To ensure

that their employees are able to deliver the brand promise, the company needs to engage in any activities that aid their employees in their ability to deliver on service promise such as recruiting, training, motivating, rewarding, and providing equipment and technology (Zeithaml, Bitner, and Gremler, 2006). With the good internal service quality, employees are satisfied which leads to customer satisfaction and loyalty are secured. The result is healthy service profit and growth. This is captured in the Service Profit Chain model of Heskett et al (1994).

Internal branding has emerged as to assist an organisation in promoting the brand inside, namely to employees (Ahmed and Rafiq, 2003) with an aim to ensure the congruence between internal and external brand messages (Mitchell, 2002). That is, it ensures that brand messages (i.e. brand promise) are transformed by employees into reality that reflect the customers' expected brand experience (Boone, 2000).

Some authors (e.g. Drake, Gulman, and Roberts, 2005; Mitchell, 2002) purport that the creation of internal branding is through the practice of internal marketing (IM). The review of different authors' proposition of an IM mix (e.g. Ahmed, Rafiq, and Saad, 2002; Berry and Parasuraman, 1991; Gummesson, 1991; Tansuhaj, Randall, and McCulloch, 1988), provide support to recent studies (e.g. Punjaisri and Wilson, 2007; Vallaster and de Chernatony, 2006) within the internal branding context that argue for the coordination between HR and internal communication disciplines to successfully achieve internal branding's objectives.

Both IM and internal branding have argued for their effects on employees' brand commitment. For example, Woodruffe (1995) argues that internal marketing is a means for creating internal commitment among employees by adopting the marketing concept internally. Similarly, recent authors within the internal branding context (e.g. Aurand, Gorchels, and Bishop, 2005; Burmann and Zeplin, 2005) argue that internal branding engenders a shared understanding of a brand across an organisation; an effective internal

branding campaign induces employees' brand commitment. Thomson et al (1999) have supported that an effective internal communication of a brand with employees enhances their intellectual (understanding) and emotional engagement (commitment) with a brand. Similarly, authors (e.g. Guest, 1995; Storey, 1995; Tyson, 1995) from the HR domain state that creating employee commitment is at the heart of HRM.

Furthermore, the study from the internal communications literature concurs that an effective internal communications could engender employees' commitment and loyalty (e.g. Asif and Sargeant, 2000; Steers, 1977). Baum (1995) argues that an effective employee development programme forming part of the HRM is related to a decrease in staff turnover. Recently, the study in the banking sector of Papasolomou and Vrontis (2006a, b) has supported that internal branding using internal communications and training enhances employees' loyalty.

Drawing upon the social identity theory, Ashforth and Mael (1989) argue that social identification stems from the distinctiveness and prestige of a group, and the salience of outgroups. Internal branding could engender employees' brand identification, reflecting their sense of 'oneness' because it is about communicating to employees (Bergstrom, Blumenthal, and Crothers, 2002) the brand values, which are unique to a specific brand and/or company making it differentiated from the others (de Chernatony, 2001).

Similar to Homburg and Stock (2005) who have applied the balance theory within a relationship setting involving three entities: an employee, a customer for whom the employee is responsible, and the company, this study believes that employees represent one entity. Management communicating the brand messages through internal branding form the second entity, whereas the brand and/or company is another entity in the triad. According to the balance theory of Heider (1946, 1958), an individual desires to maintain consistency among a triad of linked attributes. An unbalanced relationship system would cause tension that it needs to move towards a balance state. Therefore, an employee may change his/her attitude toward

the object to be consistent with his/her leader, rebalancing the system. As such, the balance theory could explain why internal branding is argued to influence employees' brand attitudes. When employees find themselves holding different attitudes toward the brand from their management, they would try to regain the balance system. Therefore, as internal branding creates a shared understanding of brand values (de Chernatony and Segal-Horn, 2001), employees would align their brand attitudes with their managements'.

However, due to the dearth of research in the internal branding concept, there are few studies that empirically depicted the influences of internal branding on employees' brand attitudes (i.e. brand identification, brand commitment, and brand loyalty). Fewer, if any, have been done to provide empirical evidence of the link between internal branding and employees' brand-supporting behaviour although several authors have assumed that committed workforce who understand brand values would be enabled to deliver on customers' brand expectations set by the brand promise (e.g. Allen, 2000; Kotter and Heskett, 1992; Rucci, Kirn, and Quinn, 1998). Therefore:-

*H1: Internal branding has a positive impact on employees' brand identification*

*H2: Internal branding has a positive impact on employees' brand commitment*

*H3: Internal branding has a positive impact on employees' brand loyalty*

*H4: Internal branding has a positive impact on employees' brand performance in delivering the brand promise.*

### **3. The Roles of Brand Identification, Brand Commitment, and Brand Loyalty in the Internal Branding Process**

The studies of internal branding (e.g. Papasolomou and Vrontis, 2006a, b; Punjaisri and Wilson, 2007) have purported that internal branding and/or its tools (i.e. training, and internal communications) could induce employees' brand identification, brand commitment, and brand loyalty. However, it is noted that only the study of Punjaisri and Wilson (2007) has

made a distinction among the three attitudes; other studies did not investigate these attitudes within one study. This is brought into the interest for this paper as the literature has revealed the confusion of the term ‘commitment’ (Allen and Meyer, 1990). For example, identification, and loyalty are believed, by some authors (Legge, 1995; Mowday, Steers, and Porter, 1982; Porter et al, 1974), to constitute employee commitment – affective commitment, in particular. Some authors have, on contrary, considered them as separate constructs (e.g. Loveman, 1998; Ashforth and Mael, 1989; Silvestro, 2002).

A group of authors (e.g. Benkhoff, 1997; Peccei and Guest, 1993) have criticised the assumption of Porter et al (1974) that identification, extra effort, and desire to remain are the components of commitment. These authors believe that components should be considered as separate concepts. From the organisational behaviour literature, Ashforth and Mael (1989) argue that although some authors may equate organisational commitment with organisational identification and/or the latter is the facet of the former, their review of the frequently used measure of commitment suggests that identification is not presently defined by commitment. The study of Mael (1988) that the measurements of identification and commitment supported that these two constructs are differentiable. According to this group of authors, identification refers to a sense of belonging to the group and a perception of being intertwined with the group’s fate; they see themselves as personifying an entity (Mael and Ashforth, 1992, 1995; Tolman, 1943). For example, employees who identify themselves with the brand perceive the success or failures of the brand as their own (James et al, 1977). They take pride in their group membership and this is likely to trigger behaviour that enhances an external image of the brand and its organisation (Oakes and Turner, 1980). Kelman (1958) and O’Reilly and Chatman (1986) consider identification with the brand identity as a driver of brand commitment. Similarly, brand identification is argued to be an antecedent of employees’ brand commitment, which is defined as *‘the extent of psychological attachment of employees*

to the brand, which influences their willingness to exert extra effort towards reaching the brand goals' (Burmam and Zeplin, 2005: p. 284). Therefore:

*H5: Employees' Brand identification has a positive relationship with employees' brand commitment.*

The term 'commitment' has been used extensively in the internal branding context (Ind, 2001). Most research (e.g. Benkhoff, 1997; Bloemer and Odekerken-Schröder, 2006) has explored employees' loyalty in terms of length of service, resonating with the continuance or calculative commitment construct. Loyal employees are found to exhibit a relatively stable and conscious tendency to engage in a relationship with their employer (Bloemer and Odekerken-Schröder, 2006). Similarly, Reichheld (1996) conceptualises loyalty as a willingness to remain with the present company. Employees' loyalty is critical to the capability of service organisations to respond effectively to customer needs. It drives down costs through reduced recruitment and training expenditures and all the cost efficiencies which accrue from skilled workers who are up to speed and familiar with both the tasks at hand and their customers, thereby improving an organisation's profits (Reichheld, 1996; Reichheld and Sasser, 1990; Rust, Zahorik, and Keiningham 1995). In agreement with other studies within marketing (Brown and Peterson, 1993) and within organisational behaviour (Reichers, 1985; Labatmedienè et al, 2007), Pritchard, Havitz, and Howard (1999) argue that commitment is a key precursor to loyalty or retention. As such:-

*H6: Employees' commitment has a positive relationship with employees' brand loyalty.*

Ultimately, internal branding aims at inducing employees' behavioural changes to support the delivery of the brand promise (e.g. Ahmed, Rafiq, and Saad, 2003; Boone, 2000; Drake, Gulman, and Roberts, 2005). Although a number of authors support this argument, there is a lack of empirical evidence to affirm the link between internal branding and employees' brand performance in delivering the brand promise. In general, most publications in the internal

branding context from both internal communications and human resources assume that, when committed employees make an effort to deliver on the brand promise, they fulfil the expectations of customers towards the brand (e.g. de Chernatony and Segal-Horn, 2003). However, the assumption that employees' brand attitudes influence their behaviours in supporting the delivery of the brand promise is yet to be supported empirically. The recent study of Punjaisri and Wilson (2007) depicted the mediating effect of the three attitudes on the link between internal branding's tools and employees' brand performance. However, they investigated the influences of these tools separately despite supporting the coordination between training and internal communications. Therefore:

*H7: Employees' brand attitudes mediate the relationship between internal branding and employees' brand performance in delivering the brand promise.*

Figure 1 depicts the conceptual model 1 that this study examines.

Insert Figure 1 here

## **4. Method**

### **4.1 Measures**

Measures for the key constructs were developed from prior literature. The eight-item scale of brand identification was adapted from different studies (e.g. Herrbach, Mignonac, and Gatignon, 2004; Mael and Ashforth, 1992; O'Reilly and Chatman, 1986; Shamir, Zakay, and Popper, 1998). The eight-item scale captures the sense of belonging of employees to the brand and their sense of pride and ownership. The scale used by Mohr et al (1996) was adopted by this study to measure employees' brand commitment. The four-item scale of brand commitment reflects their emotional attachment to the brand. Boselie and van der Wiele (2002) provided the scale to measure the loyalty of employees to the brand, giving a

three-item scale which measures their intention to stay with the brand. The five-item scale of brand performance of this study was adapted from previous research (e.g. O'Reilly and Chatman, 1986; Williams and Anderson, 1991), measuring the extent to which employees deliver the brand promise. The ten-item scale of internal branding was adapted from Punjaisri and Wilson (2007) to measure employees' perceptions towards orientation, training, group meeting, and daily briefing.

All constructs have been measured with reflective measurement models, suggesting that the latent constructs cause the measured variables (Hair et al, 2006). All items include five-point Likert scales ranging from 'strongly disagree' to 'strongly agree' as it is a widely used scale for measuring attitudes (Kinnear and Taylor, 1996) and respondents readily understand how to use the scale (Malhotra and Birks, 2000). To assess the validity of the scales, a confirmatory factor analysis (CFA) for the attitudes and performance scales was performed (Appendix 1). Further analysis assessing discriminant validity suggested some cross-loadings. Therefore, five items (I1, I7, C1, L1 and BP5) were deleted. When removed, the discriminant validity was satisfied (Appendix 2). Another CFA was conducted as a second-order factor analysis for the internal branding construct. The goodness-of-fit of this model based on the CFI value is .952, in line with the RMSEA value at .066 and the TLI value at .930. Table 1 provides the correlation matrix of all constructs studied.

**Table 1 Correlation Matrix of Study Constructs**

	Brand Identification	Brand Commitment	Brand Loyalty	Brand Performance
Internal Branding	.702**	.642**	.490**	.526**
Brand Identification		.714**	.593**	.488**
Brand Commitment			.499**	.384**
Brand Loyalty				.393**

\*\* Statistically significant at .01 level

## 4.2 Sample

Hypotheses were tested from data collected from 699 customer-interface employees from 5 major hotels in Thailand. The questionnaires were sent out on a census basis to employees from three different departments (Food & Beverage, Housekeeping, and Front Office) as they were considered to be at the interface between the brand and customers. Out of 747 questionnaires distributed, 699 were returned, giving the response rate of 94 percent. The high response rate was due to the interest of the hotels' senior management teams. Due to some missing data, only 680 questionnaires were considered appropriate for further analysis. The size of the sample and the missing data pattern (there was no concentration in a specific set of questions) justified the deletion of the missing-data questionnaires. Moreover, according to Johnson and Wichern (2001), when variables have less than 15% missing data, they are likely to be deleted.

The measurement invariance was also tested since there were five samples from five different hotels. Following the procedure suggested by Steenkamp and Baumgartner (1998, p. 83, Figure 1), it is noted that configural, metric, and scalar invariance are given. Hence, the five data sets can be combined for further analysis.

## 5. Results

The structural equation modelling was conducted using AMOS 7.0. The result of fit statistics of the model is represented in Table 2.

**Table 2 Fit Statistics of Model**

Model	X <sup>2</sup>	df	p	GFI	TLI	CFI	RMSEA	AIC	BIC
Conceptual model	654.937	262	0.000	0.927	0.933	0.941	0.047	780.937	785.954

The conceptual model's results as shown in the table above are used to assess the main effects in the internal branding and brand promise delivery model. The goodness-of-fit

statistics revealed that the model fits the data reasonably well: The  $\chi^2/df$  value of 2.5 indicates

a satisfactory level as it is below the recommended 3.0 (Bollen and Long, 1993). Other representative indexes also suggest that the results of the structural model analysis are a good fit of the proposed model to the data: GFI is .927, AGFI is .910, CFI is .941, RMSEA is .047. Although the CFI is lower than the revised cut-off value of .95, the CFI value above .9 is considered as reasonably well-fitting (Hair et al, 2006). In fact, the CFI value of this research's model is close to .95; Hu and Bentler (1995) have recently advised that a cut-off value 'close to' .95 is acceptable.

**Table 3 Path Coefficients of the Conceptual Model**

Path	Conceptual Model
Internal Branding → Brand Identification	0.724 <sup>a</sup>
Internal Branding → Brand Commitment	0.241 <sup>a</sup>
Internal Branding → Brand Loyalty	0.320 <sup>a</sup>
Brand Identification → Brand Performance	0.193 <sup>b</sup>
Brand Commitment → Brand Performance	-0.048
Brand Loyalty → Brand Performance	0.114 <sup>b</sup>
Internal Branding → Brand Performance	0.370 <sup>a</sup>
Brand Identification → Brand Commitment	0.554 <sup>a</sup>
Brand Commitment → Brand Loyalty	0.315 <sup>a</sup>

**Note** <sup>a</sup> significant at .01 level

<sup>b</sup> significant at .05 level

Structural analysis results provide a goodness fit of the model tested to the data, as indicated by the various fit indices (CFI =.94, TLI =.931, RMSEA =.048). As can be seen from Table 3, internal branding has positive and significant impacts on employees' brand identification

(.72,  $p < .01$ ), brand commitment (.24,  $p < .01$ ), and brand loyalty (.32,  $p < .01$ ), lending support for H1, H2, and H3. Also, H4 is supported as the result suggests the positive and significant influence of internal branding on employees' brand performance (.37,  $p < .01$ ).

Also, the result suggests that employees' brand identification has a significant effect on employees' brand commitment (.55,  $p < .01$ ). Similarly, employees' brand commitment is found to have a positive influence on employees' brand loyalty (.32,  $p < .01$ ), lending support to both H6 and H7. H8 involves testing the mediating effects of employees' brand attitudes in the link between internal branding and employees' brand performance. Following Baron and Kenny's (1986) argument for testing steps of mediating effects, the result reveals that the first two steps of the mediating model are fulfilled. That is, internal branding has a significant relationship with employees' brand performance (the outcome) and employees' brand attitudes (the hypothesised mediators). However, the focal model suggested that brand commitment did not have a significant relationship with the extent to which employees aligned their behaviours with brand values to deliver the brand promise. Therefore, brand commitment is not considered either a full or a partial mediator in this particular relationship. On the contrary, employees' brand identification and brand loyalty are significantly related to employees' brand performance in an equation that contains both internal branding and the hypothesised mediators (brand identification and brand loyalty). Therefore, both employees' brand identification and brand loyalty fulfil three conditions, thereby suggesting that they mediate the total effect that internal branding exerts on employees' brand performance. However, because the relationship between internal branding and employees' brand performance remains significant, both brand attitudes of employees partially mediate this particular relationship. In other words, the total effect of internal branding towards employees' brand performance is elevated in the situation of having high levels of employees' brand identification and brand loyalty. This is because, while internal branding

has a direct impact on the extent to which employees behave in a way that supports the delivery of brand promise, part of its influence is through the level of its success in enhancing the employees' perceptions that they are part of the brand's success and/or failure (brand identification), and their intention to stay with the brand (brand loyalty). The result, thus, lends partial support to H7.

## **6. Discussions and Managerial Implications**

The literature has recently introduced the internal branding concept as an enabler of employees' delivery of the brand promise through its influences on their attitudes and behaviours. This study provides empirical evidence supporting that internal branding that coordinates training and internal communications has a positive impact on employees' brand identification, brand commitment, and brand loyalty. In particular, employees' brand identification was found to be influenced most by internal branding. This study supports previous studies that internal branding exerts certain degrees of impacts on the extent to which employees identify with, are committed to, and loyal to the brand. Also, this study provides empirical evidence supporting the assumption that internal branding exerts certain degrees of influences on the extent to which employees behave in ways that are consistent with the delivery of the brand promise.

In line with past studies in different disciplines (i.e. marketing, and organisational behaviour), the result dictates the relationships among employees' brand attitudes. Employees' brand identification is found to positively influence employees' brand commitment (e.g. Allen and Meyer, 1990), which is a precursor to brand loyalty (e.g. Brown and Peterson, 1993; Reichers, 1985). As such, although these attitudes are distinct, they are, somehow, related constructs. The model that takes account of the relationships between brand identification and brand commitment, and between brand commitment and brand loyalty has better goodness-of-fit index than those that take no account of these relationships. Another implication for

researchers within the internal branding context is the mediating effects of employees' brand identification and brand loyalty on the link between internal branding and their brand performance.

The implication of this study to management is that it is important that internal branding includes knowledge from both marketing in terms of internal communication and human resource in terms of training and/or employees' development programmes. On one hand, management should attempt to use internal branding to enhance their employees' brand performance. On the other, they can deploy internal branding to enhance their employees' brand attitudes as well as its distinctiveness to enhance their pride towards the brand to enhance their commitment. It is important for management to be informed that training programmes to develop and enhance employees' brand-related understanding and skills need to be conducted on an ongoing basis. Although this requires corporate effort and investment, this study has shown that brand training along with effective internal communication could ensure that staff can deliver on the brand promise. Management could use two-way communication, daily briefing, group meeting, notice boards and corporate magazine to communicate any brand messages to staff. Training programmes could contain general skill improvement and brand-specific skills to enhance employees' brand performance. Not only do these mechanisms enhance employees' ability to deliver on brand promise, but they also induce employees' identification with, commitment, and loyalty to the brand. Furthermore, this study suggests that management can expect their employees' commitment when they are successful in inducing employees' brand identification. Similarly, they could influence employees' brand loyalty when they are successful in securing employees' brand commitment. All these positive brand attitudes, again, could be influenced partly by effective and successive internal branding programmes. It should be noted that the recruitment process is also important as well as training. However, according to Punjaisri and Wilson (2007),

recruiting employees whose values fit with the organisation's as proposed by some authors (e.g. de Chernatony, 2001) was found to be difficult by the participating management. Therefore, probation period was in use to ensure that any staff who passed this period would fit with the organisation. Therefore, any brand training they would participate in the future would not turn them away from the brand and its organisation. This, thus, could explain why training programmes and internal communication that constitutes internal branding programmes were found to have a positive influence on employees' brand promise delivery. Furthermore, as employees' brand identification and loyalty act as a partial mediator in the link between internal branding and employees' brand performance, management are encouraged to pay attention to their employees' attitudes toward a brand as influenced by internal branding. This is because the mediating effects suggest that part of the total effect that internal branding has on employees' delivery of the brand promise is through its effect on their identification and loyalty. When internal branding effectively influences employees' brand identification and loyalty, their brand performance can be more effectively influenced than when internal branding does not successfully influence their attitudes. Still, management could make use of internal branding to directly shape their employees' behaviour to ensure that they deliver the brand promise as expected.

## **7. Future Research Directions**

This study adds to the current knowledge that internal branding has both attitudinal and behavioural impacts on employees' delivery of the brand promise. While most of the existing research focused on management's and brand consultants' perspectives, this study has looked at the perspectives of customer-interface employees' who are considered the key audience of an internal branding programme. Also, it has successfully provided empirical evidence showing the link between internal branding and employees' brand-supporting behaviours, which was previously based on a mere assumption that when employees are committed, they

will deliver on the promise. As this study measured all three attitudes together, it could also identify the relationships among these attitudes and how they mediated the strength of internal branding's effect on employees' brand behaviours.

However, it should be acknowledged that this study focused on the hotel industry, which is one among several types of industries in the service sector. Some service industries may have a specific nature which is not shared by the others, thereby limiting the generalisability of this study to other service industries.

As the study used cross-sectional survey data, it neglected possible time-lag effects. Particularly, the hotel industry is affected by high- and low-season of travelling. Therefore, the cross-sectional study could neglect the influence of the different seasons in the industry on the success of internal branding campaigns. Also, it was carried out in Thailand, entailing the issues of culture specific. Therefore, replications of the relationships suggested in this study in different service industries and cultural contexts would help clarifying the boundary conditions for generalisations to theory. Moreover, longitudinal data would improve an understanding of the mechanisms influencing different attitudes of employees and their behaviours in delivering the brand performance.

## **References**

Ahmed, P. K. and Rafiq, M. (2003) 'Internal marketing issues and challenges', *European Journal of Marketing*, Vol. 37 No. 9, pp. 1177-1186.

Ahmed, P. K., Rafiq, M. and Saad, N. M. (2002) 'Internal marketing, organizational competencies, and business performance', *American Marketing Association Conference Proceedings*, Vol. 13 Winter, pp. 500-501.

Ahmed, P. K., Rafiq, M. and Saad, N. M. (2003) 'Internal marketing and the mediating role of organisational competencies', *European Journal of Marketing*, Vol. 37 No. 9, pp. 1221-1241.

Allen, D. (2000) 'The ACID Test<sup>TM</sup> - a communication tool for leadership teams who want to interact with the whole organisation', *Journal of Brand Management*, Vol. 5 No. 4, pp. 257-266.

Allen, N. and Meyer, J. (1990) 'The measurement of antecedents of affective, continuance and normative commitment to the organisation', *Journal of Occupational Psychology*, Vol. 63 No. 1, pp. 1-18. [available at:

<http://web.ebscohost.com/ehost/pdf?vid=16&hid=22&sid=4df5388e-447a-4c61-abae-1e7265720e74%40sessionmgr2>]

Ashforth, B. E. and Mael, F. (1989) 'Social identity theory and the organization', *Academy of Management Review*, Vol. 14 No. 1, pp. 20-39. [available at:

<http://web.ebscohost.com/ehost/pdf?vid=20&hid=22&sid=4df5388e-447a-4c61-abae-1e7265720e74%40sessionmgr2>]

Asif, S. and Sargeant, A. (2000) 'Modelling internal communications in the financial services sector', *European Journal of Marketing*, Vol. 34 No. 3/4, pp. 299-317. [Available at:

<http://web.ebscohost.com/ehost/pdf?vid=20&hid=22&sid=4df5388e-447a-4c61-abae-1e7265720e74%40sessionmgr2>]

Aurand, T. W., Gorchels, L. and Bishop, T. R. (2005) 'Human resource management's role in internal branding: an opportunity for cross-functional brand message synergy', *Journal of Product & Brand Management*, Vol. 14 No. 2, pp. 163-169.

Baron, R. M. and Kenny, D. A. (1986) 'The moderator-mediator variable distinction in social psychological research: conceptual, strategic, and statistical considerations', *Journal of Personality and Social Psychology*, Vol. 51, pp. 1173-1182.

Baum, T. (1995) *Managing Human Resources in the European Tourism and Hospitality Industry: A Strategic Approach*, Chapman and Hall, London.

Benkhoff, B. (1997) 'Disentangling organizational commitment: the dangers of the OCQ for research and policy', *Personnel Review*, Vol. 26 No. 1/2, pp. 114. [Available at:

<http://web.ebscohost.com/ehost/pdf?vid=37&hid=22&sid=4df5388e-447a-4c61-abae-1e7265720e74%40sessionmgr2>]

Bergstrom, A., Blumenthal, D. and Crothers, S. (2002) 'Why Internal Branding Matters: The Case of Saab', *Corporate Reputation Review*, Vol. 5 No. 2/3, pp. 133-142. [Available at:

<http://web.ebscohost.com/ehost/pdf?vid=41&hid=22&sid=4df5388e-447a-4c61-abae-1e7265720e74%40sessionmgr2>]

Berry, L. L. and Lampo, S. S. (2004) 'Branding labour-intensive services', *Business Strategy Review*, Vol. 15 No. 1, pp. 18-25. [Available at:

<http://web.ebscohost.com/ehost/pdf?vid=45&hid=22&sid=4df5388e-447a-4c61-abae-1e7265720e74%40sessionmgr2>]

Berry, L. L. and Parasuraman, A. (1991) *Managing Services*, The Free Press, New York.

Bitner, M. J. (1995) 'Building service relationships: It's all about promises', *Journal of Academy of Marketing Science*, Vol. 23 No. 4, pp. 246-251.

Bloemer, J. and Odekerken-Schröder, G. (2006) 'The role of employee relationship proneness in creating employee loyalty', *International Journal of Bank Marketing*, Vol. 24 No. 4, pp. 252-264.

Bollen, K. A. and Long, J. S. (1993) *Testing Structural Equation Models*, Sage, Newbury Park, CA.

Boone, M. (2000) 'The importance of internal branding', *Sales and Marketing Management*, Vol. 152 No. 9, pp. 36-38.

Boselie, P. and van der Wiele, T. (2002) 'Employee perceptions of HRM and TQM, and the effects on satisfaction and intention to leave', *Managing Service Quality*, Vol. 12 No. 3, pp. 165-172.

Brown, S. P. and Peterson, R. A. (1993) 'Antecedents and consequences of salesperson job satisfaction: meta-analysis and causal effects', *Journal of Marketing Research*, Vol. 30 No. 1, pp. 63-77. [Available at:

<http://web.ebscohost.com/ehost/pdf?vid=59&hid=22&sid=4df5388e-447a-4c61-abae-1e7265720e74%40sessionmgr2>]

Burmah, C. and Zeplin, S. (2005) 'Building brand commitment: a behavioural approach to internal brand building', *Journal of Brand Management*, Vol. 12 No. 4, pp. 279-300. [Available at: <http://web.ebscohost.com/ehost/pdf?vid=64&hid=22&sid=4df5388e-447a-4c61-abae-1e7265720e74%40sessionmgr2>]

Buss, D. (2002) 'In good company', *Brandweek*, 20 May, pp. 28-30.

De Chernatony, L. (2001) *From Brand Vision to Brand Evaluation*, Butterworth-Heinemann, Oxford.

De Chernatony, L. and Cottam, S. (2006) 'Internal brand factors driving successful financial services brand', *European Journal of Marketing*, Vol. 40 No. 5/6, pp. 611-633.

De Chernatony, L. and Dall'Olmo Riley, F. (1997) 'The chasm between managers' and consumers' view of brands: the experts' perspectives', *Journal of Strategic Marketing*, Vol. 5 No. 2, pp. 89-104. [Available at:

<http://web.ebscohost.com/ehost/pdf?vid=71&hid=22&sid=4df5388e-447a-4c61-abae-1e7265720e74%40sessionmgr2>]

De Chernatony, L. and Segal-Horn, S. (2001) 'Building on services characteristics to develop successful services brands', *Journal of Marketing Management*, Vol. 17 No. 7/8, pp. 645-669. [Available at: <http://web.ebscohost.com/ehost/pdf?vid=74&hid=22&sid=4df5388e-447a-4c61-abae-1e7265720e74%40sessionmgr2>]

De Chernatony, L. and Segal-Horn, S. (2003) 'The criteria for successful services brands', *European Journal of Marketing*, Vol. 37 No. 7/8, pp. 1095-1118.

- Drake, S. M., Gulman, M. J. and Roberts, S. M. (2005) *Light Their Fire*, Dearborn, Chicago.
- Grönroos, C. (1990) *Service Management and Marketing*, Lexington Books, Lexington, MA.
- Guest, D. (1995) 'Human Resource Management, Trade Unions and Industrial Relations'. In Storey, J. (Ed.), *Human Resource Management: Still Marching on or Marching Out? And Human Resource Management: A Critical Test*, Routledge, London.
- Gummesson, E. (1991) 'Marketing orientation revisited: the crucial role of the part-time marketer', *European Journal of Marketing*, Vol. 25 No. 2, pp. 60-75. [Available at: <http://web.ebscohost.com/ehost/pdf?vid=77&hid=22&sid=4df5388e-447a-4c61-abae-1e7265720e74%40sessionmgr2>]
- Hair, J. F. et al (2006) *Multivariate data analysis*, 6<sup>th</sup> ed., Prentice Hall, Saddle River.
- Herrbach, O., Mignonac, K. and Gatignon, A-L. (2004) 'Exploring the role of perceived external prestige in managers' turnover intentions', *The International Journal of Human Resource Management*, Vol. 15 No. 8, pp. 1390-1407. [Available at: <http://web.ebscohost.com/ehost/pdf?vid=80&hid=22&sid=4df5388e-447a-4c61-abae-1e7265720e74%40sessionmgr2>]
- Heskett, J. L., et al (1994) 'Putting the service-profit chain to work', *Harvard Business Review*, Vol. 72 No. 2, pp. 164-172. [Available at: <http://web.ebscohost.com/ehost/pdf?vid=85&hid=22&sid=4df5388e-447a-4c61-abae-1e7265720e74%40sessionmgr2>]
- Hu, L. T. and Bentler, P. M. (1995) 'Evaluating Model Fit'. In Hoyle, R. H. (Ed.), *Structural Equation Modelling: Concepts, Issues and Applications*, Sage, Thousand Oaks, CA, pp. 76-99.
- Ind, N. (2001) *Living the Brand*, Kogan Page, London.

James, L. R., Hartman, A., Stebbins, M. W. and Jones, A. P. (1977) 'Relationships between psychological climate and a VIE model for work motivation', *Personnel Psychology*, Vol. 30 No. 2, pp. 229-254. [Available at:

<http://web.ebscohost.com/ehost/pdf?vid=86&hid=22&sid=4df5388e-447a-4c61-abae-1e7265720e74%40sessionmgr2>]

Johnson, R. A. and Wichern, D. W. (2001) *Applied Multivariate Statistical Analysis*, 5<sup>th</sup> ed., Prentice Hall, Saddle River.

Kelman, H. C. (1958) ' Compliance, identification, and internalization: three processes of attitude change', *Journal of Conflict Resolution*, Vol. 2 No. 1, pp. 51-60.

Kinney, T. and Taylor, J. (1996) *Marketing Research - An Applied Approach*, McGraw-Hill, New York.

Kotler, P. (1994) *Marketing Management: Analysis, Planning, Implementation, and Control*, 8<sup>th</sup> Ed., Prentice Hall, Englewood Cliffs, NJ.

Loveman, G. (1998) 'Employee satisfaction, customer loyalty, and financial performance: an empirical examination of service profit chain in retail banking', *Journal of Service Research*, Vol. 1 No. 1, pp. 18-31.

Mael, F. (1988) *Organizational identification: construct redefinition and a field application with organizational alumni*, Unpublished doctoral dissertation, Wayne State University, Detroit.

Mael, F. A. and Ashforth, B. E. (1992) 'Alumni and their alma mater: a partial field test of the reformulated model of organizational identification', *Journal of Organizational Behavior*, Vol. 12 No. 2, pp. 102-123.

Mael, F. A. and Ashforth, B. E. (1995) 'Loyal from day one, biodata, organizational identification, and turnover among new comers', *Personnel Psychology*, Vol. 48 No. 2, pp. 309-333. [Available at:

<http://web.ebscohost.com/ehost/pdf?vid=94&hid=22&sid=4df5388e-447a-4c61-abae-1e7265720e74%40sessionmgr2>

Malhotra, N. K. and Birks, D. F. (2000) *Marketing Research: An Applied Approach*, European ed., Financial Times Prentice Hall, Harlow.

Mohr, J. et al (1996) 'Collaborative communication in interfirm relationships: moderating effects of integration and control', *Journal of Marketing*, Vol. 60 No. 3, pp. 103-115.

[Available at:

<http://web.ebscohost.com/ehost/pdf?vid=94&hid=22&sid=4df5388e-447a-4c61-abae-1e7265720e74%40sessionmgr2>

Mowday, R., Steers, R. and Porter, L. (1982) *Employee-Organisation Linkages: The Psychology of Commitment, Absenteeism and Turnover*, Academic Press, London.

O'Loughlin, D., Szmigin, I. and Turnbull, P. (2004) 'Branding and relationships: customer and supplier perspectives'. *Journal of Financial Services Marketing*, Vol. 8 No. 3, pp. 218-230. [Available at: <http://web.ebscohost.com/ehost/pdf?vid=100&hid=22&sid=4df5388e-447a-4c61-abae-1e7265720e74%40sessionmgr2>]

O'Reilly, C. III and Chatman, J. (1986) 'Organizational commitment and psychological attachment: the effects of compliance, identification, and internalization of prosocial behavior', *Journal of Applied Psychology*, Vol. 71, pp. 492-499.

Oakes, P. and Turner, J. C. (1986) 'Distinctiveness and the salience of social category memberships: is there an automatic perceptual bias towards novelty?', *European Journal of Social Psychology*, Vol. 16, pp. 325-344.

Olins, W. (1995) *The New Guide to Identity*, London: Gower.

Peccei, R. and Guest, D. (1993) 'The dimensionality and stability of organizational commitment: a longitudinal examination of cook and wall's (1980) organizational

commitment scale (BOCS)'. *Centre for Economic Performance*, London School of Economics, Discussion Paper 149.

Porter, L., Steers, R., Mowday, R. and Boulian, P. (1974) 'Organisational commitment, job satisfaction and turnover among psychiatric technicians', *Journal of Applied Psychology*, Vol. 59, pp. 603-609.

Pritchard, M. P., Havitz, M. E. and Howard, D. (1999) 'Analyzing the commitment-loyalty link in service contexts', *Journal of the Academy of Marketing Science*, Vol. 27 No. 3, pp. 333-348.

Punjaisri, K. and Wilson, A. (2007) 'The role of internal branding in the delivery of employee brand promise', *Journal of Brand Management*, Vol. 15 No. 1, pp. 57-70. [Available at: <http://web.ebscohost.com/ehost/pdf?vid=105&hid=22&sid=4df5388e-447a-4c61-abae-1e7265720e74%40sessionmgr2>]

Reichers, A. E. (1985) 'A review and reconceptualization of organizational commitment', *Academy of Management Review*, Vol. 10 No. 3, 465-476. [Available at: <http://web.ebscohost.com/ehost/pdf?vid=108&hid=22&sid=4df5388e-447a-4c61-abae-1e7265720e74%40sessionmgr2>]

Reichheld, F. (1996) *The Loyalty Effect: The Hidden Force Behind Growth, Profits and Lasting Value*, Harvard Business School Press, Boston, MA.

Reichheld, F. and Sasser, W. E., Jr. (1990) 'Zero defections: quality comes to service', *Harvard Business Review*, Vol. 68 No. 5, pp. 32-40. [Available at: <http://web.ebscohost.com/ehost/pdf?vid=111&hid=22&sid=4df5388e-447a-4c61-abae-1e7265720e74%40sessionmgr2>]

Rucci, A. J., Kim, S. P. and Quinn, R. T. (1998) 'The employee-customer profit chain at Sears', *Harvard Business Review*, Vol. 76 No. 1, pp. 83-97. [Available at:

<http://web.ebscohost.com/ehost/pdf?vid=111&hid=22&sid=4df5388e-447a-4c61-abae-1e7265720e74%40sessionmgr2>]

Rust, R., Zahorik, A. and Keiningham, T. L. (1995) 'Return on quality (ROQ), making service quality financially accountable', *Journal of Marketing*, Vol. 59 No. 2, pp. 58-79. [Available at: <http://web.ebscohost.com/ehost/pdf?vid=114&hid=22&sid=4df5388e-447a-4c61-abae-1e7265720e74%40sessionmgr2>]

Shamir, B., Zakay, E. and Popper, M. (1998) 'Correlates of charismatic leader behavior in military units: subordinates' attitudes, unit characteristics, and superiors' appraisals performance', *Academy of Management Journal*, Vol. 41 No. 4, pp. 387-409. [Available at: <http://web.ebscohost.com/ehost/pdf?vid=118&hid=22&sid=4df5388e-447a-4c61-abae-1e7265720e74%40sessionmgr2>]

Silvestro, R. (2002) 'Dispelling the modern myth: employee satisfaction and loyalty drive service profitability', *International Journal of Operations & Production Management*, Vol. 22 No. 1, pp. 30-49.

Steers, R. (1977) 'Antecedents and outcomes of organisational commitment', *Administrative Science Quarterly*, Vol. 22 No. 1, pp. 46-56. [Available at: <http://web.ebscohost.com/ehost/pdf?vid=124&hid=22&sid=4df5388e-447a-4c61-abae-1e7265720e74%40sessionmgr2>]

Storey, J. (1995) *Human Resource Management: Still Marching on or Marching Out?*, *Human Resource Management: A Critical Text*, Routledge, London.

Tansuhaj, T., Randall, D. and McCulloch, J. (1991) 'Applying the internal marketing concept within large organizations: as applied to a Credit Union', *Journal of Professional Services Marketing*, Vol. 6 No. 2, pp. 193-203.

Thomson, K., de Chernatony, L, Arganbright, L. and Khan, S. (1999) 'The buy-in benchmark: how staff understanding and commitment impact brand and business performance', *Journal of Marketing Management*, Vol. 15 No. 8, pp. 819-835.

Tolman, E. C. (1943) 'Identification and the post-war world', *Journal of Abnormal and Social Psychology*, Vol. 38, pp. 141-148.

Tyson, S. (1995) *Human Resource Strategy*, Pitman, London.

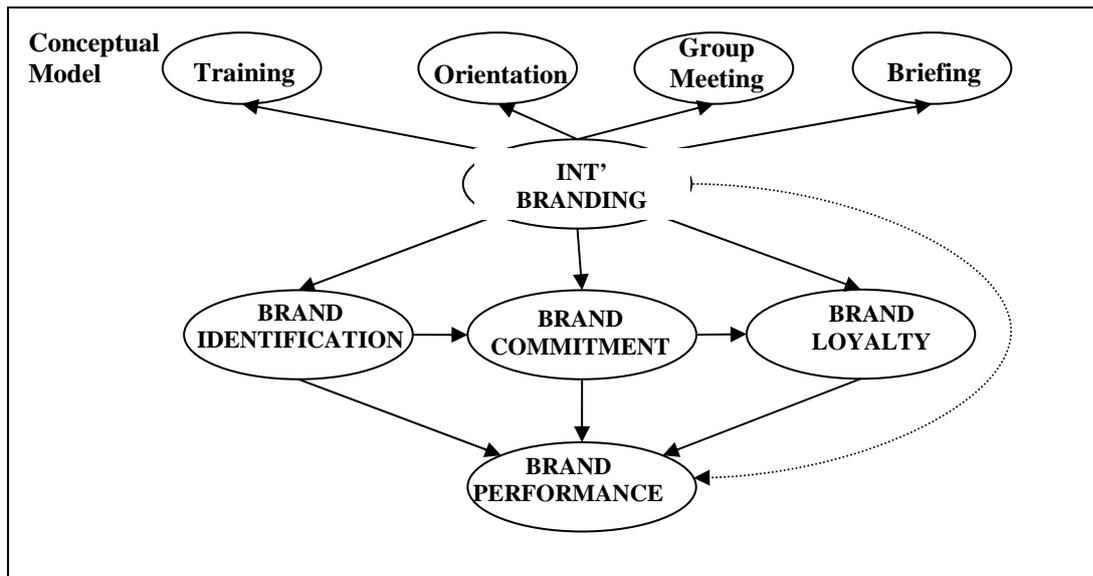
Williams, L. and Anderson, S. E. (1991) 'Job satisfaction and organizational commitment as predictors of organizational citizenship and in-role behaviour', *Journal of Management*, Vol. 17 No. 3, pp. 601-617. [Available at:

<http://web.ebscohost.com/ehost/pdf?vid=128&hid=22&sid=4df5388e-447a-4c61-abae-1e7265720e74%40sessionmgr2>]

Woodruffe, H. (1995) *Services Marketing*, M&E Pitman Marchfield, MA.

Zeithaml, V. A., Bitner, M. J. and Gremler, D. D (2006) *Services Marketing: Integrating Customer Focus Across the Firm*, 4<sup>th</sup> Ed., McGraw-Hill, Singapore.

### **Figure 1 The Proposed Conceptual Model**



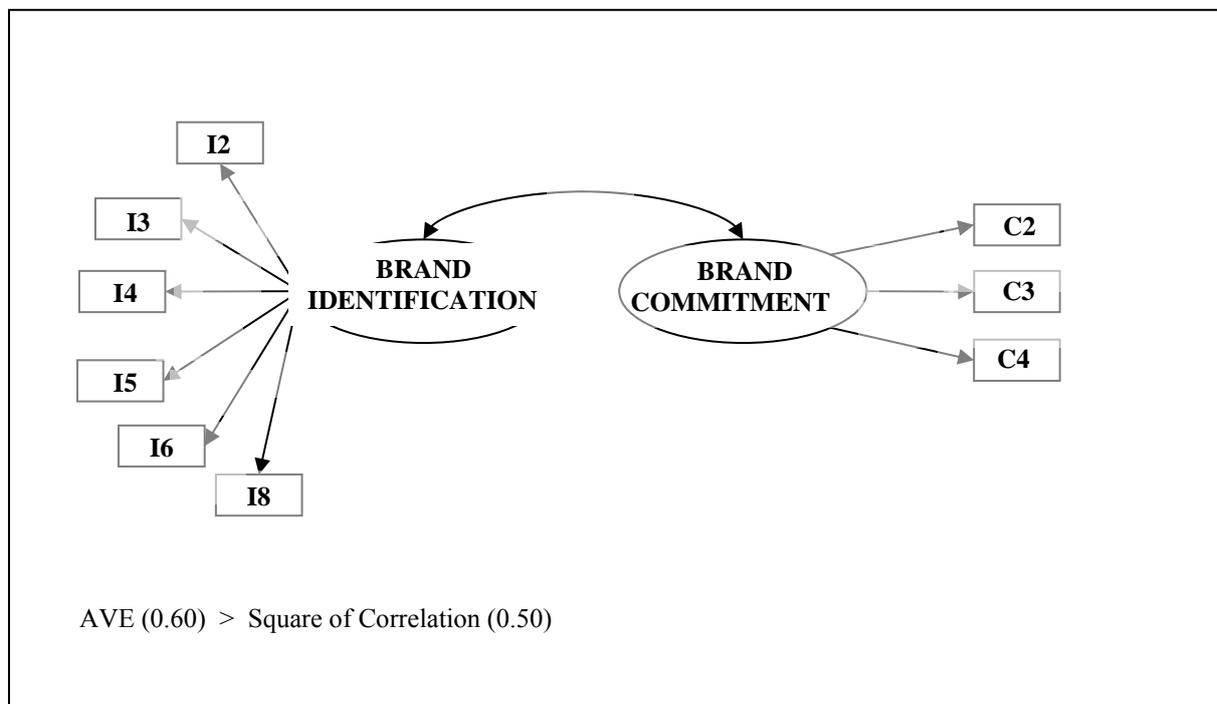
### Appendix 1: Reliability and Validity Tests of Each Measurement Scale

Construct Scale Items	Factor Loadings	CFI Value	Composite Reliability	Average Variance Extracted
<b>Brand Identification</b>		0.983	0.88	0.60
<i>I am proud to tell others that I am part of Hotel X (I1)</i>	0.584			
<i>I feel a sense of ownership for this hotel X (I2)</i>	0.573			
<i>My sense of pride towards the hotel brand is reinforced by the brand-related messages (I3)</i>	0.692			
<i>I view the success of the brand as my own success (I4)</i>	0.785			
<i>Hotel X is like a family to me (I5)</i>	0.845			
<i>I feel belonging to this hotel X (I6)</i>	0.783			
<i>When I talk about this hotel X, I usually say 'we' rather than 'they' (I7)</i>	0.580			
<i>When someone praises this brand, it feels like a personal compliment (I8)</i>	0.673			
<b>Brand Commitment</b>		0.987	0.85	0.59
<i>My commitment to deliver the brand increases along with my knowledge of the brand (C1)</i>	0.644			
<i>I am very committed to delivering the brand promise to our hotel guests (C2)</i>	0.837			
<i>I have a minimal commitment to this hotel (R) (C3)</i>	0.729			
<i>I don't feel emotionally attached to this hotel (R) (C4)</i>	0.534			

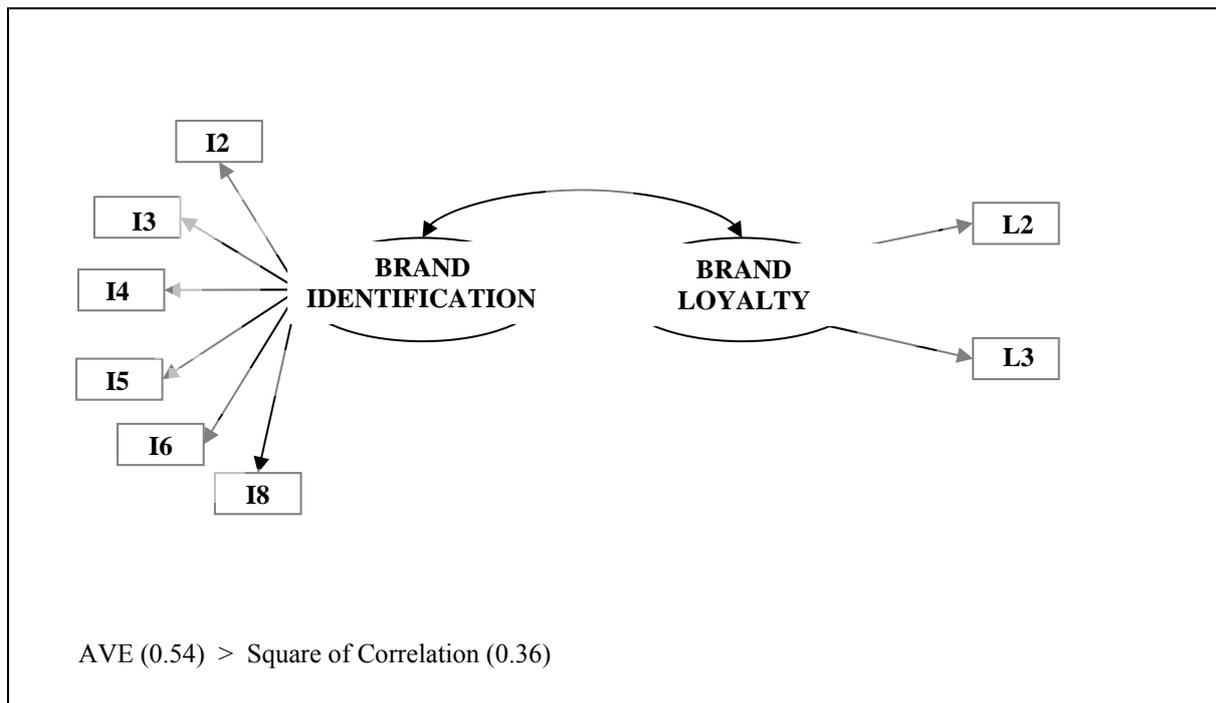
<b>Brand Loyalty</b>	1.00	0.70	0.44
<i>I will be happy to spend the rest of my career in this hotel chain (L1)</i>	0.639		
<i>I don't have an intention to change to another hotel chain at this moment (L2)</i>	0.610		
<i>My intention to stay is driven by the fact that I am competent in delivering the brand promise (L3)</i>	0.822		
<b>Brand Performance</b>	0.983	0.88	0.60
<i>The quality level of my services meets the brand standards of Hotel X (BP1)</i>	0.632		
<i>Sometimes, I neglect aspects of the job I am obligated to perform (R) (BP2)</i>	0.381		
<i>I can successfully fulfill responsibilities specified in my job descriptions (BP3)</i>	0.691		
<i>I effectively fulfil the promise that the brand has with customers (BP4)</i>	0.825		
<i>I always handle customers' specific requests within a standard set for the brand (BP5)</i>	0.762		

**Appendix 2: Pairwise Assessment of the Discriminant Validity**

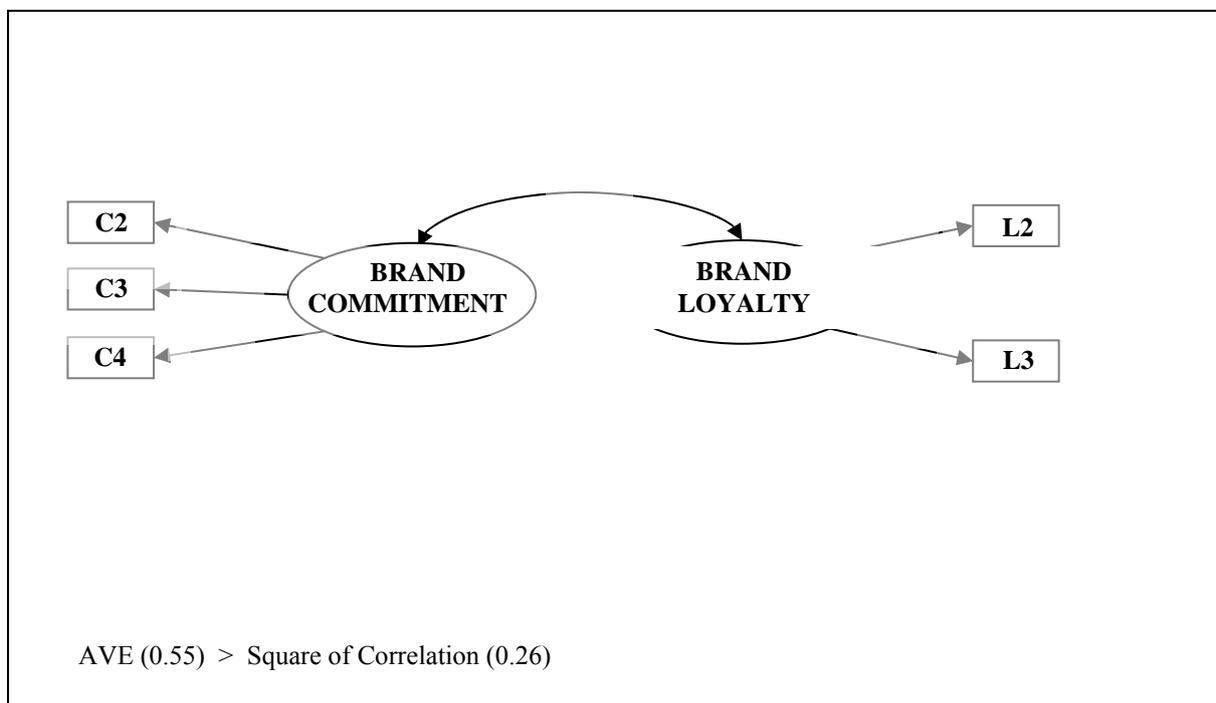
**A: The Discriminant Validity of ‘Identification and Commitment’ Pair**



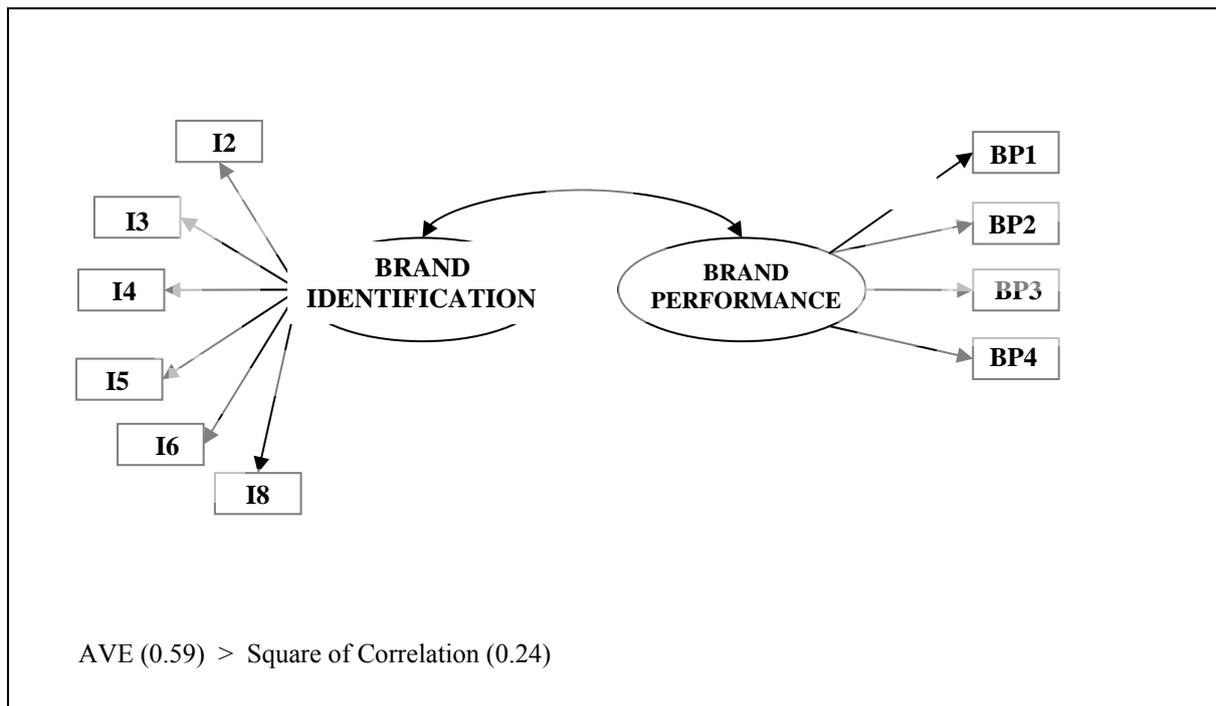
### B: The Discriminant Validity of 'Identification and Loyalty' Pair



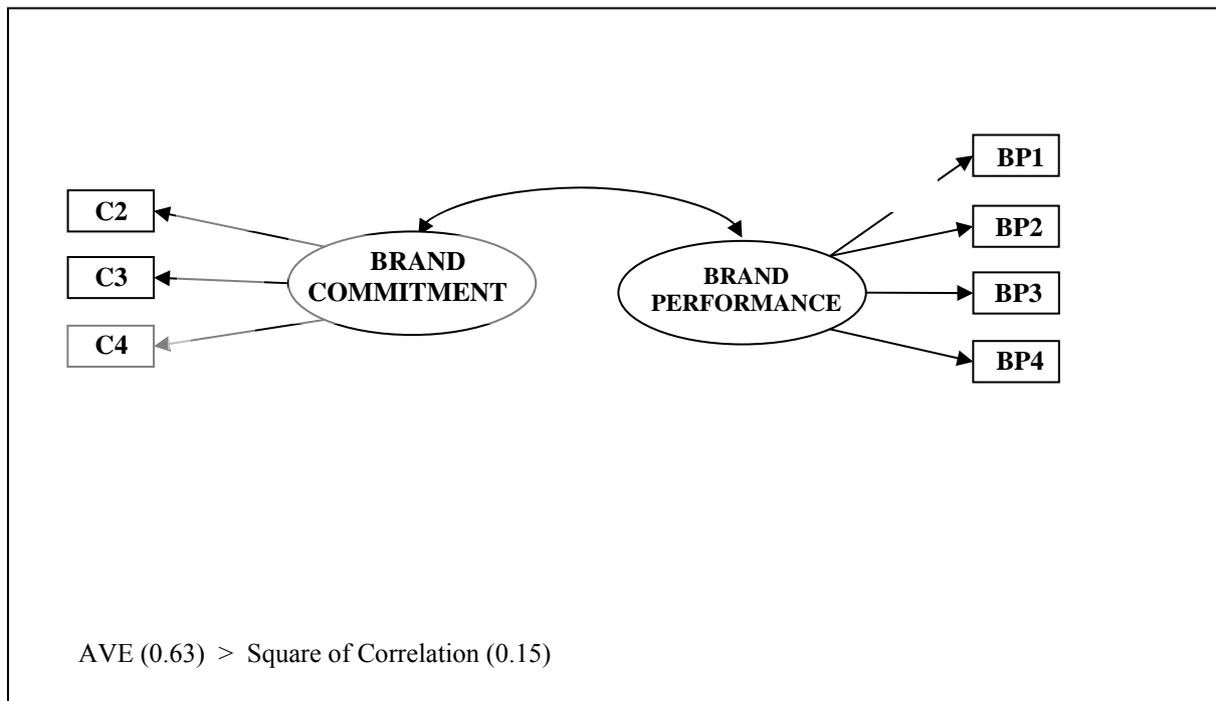
### C: The Discriminant Validity of 'Commitment and Loyalty' Pair



### D: The Discriminant Validity of 'Identification and Performance' Pair



### E: The Discriminant Validity of 'Commitment and Performance' Pair



**F: The Discriminant Validity of 'Loyalty and Performance' Pair**

