EMPLOYEE BASED BRAND EQUITY: A THIRD PERSPECTIVE

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ABSTRACT

Despite academics and practitioners alike promoting the positive outcomes of employees being aware of the organization’s brand in the context of their work environment, there appears to be no evidence thus far to understand the impact of such brand building efforts from an employee perspective. This paper promotes that there is, in fact, a third perspective of brand equity, that being Employee Based Brand Equity (EBBE). In particular, a framework of EBBE dimensions is developed herein, thus representing a significant contribution to the marketing literature and holding strong relevance for service organizations around the globe. The benefits derived from such a framework and, thereby, delivering value to the organization are manifested in brand citizenship behaviors, employee satisfaction and intention to stay with the organization, as well as positive employee word of mouth. This paper sets the scene for future research within this important, but neglected, research domain.
INTRODUCTION

Organizations, in today’s competitive marketplace, continue in their struggle to find the ‘holy grail’ of competitive advantage. In many cases, this struggle has manifested itself in the provision of exceptional service, regardless of whether the organization’s core product is a physical good or a service in its own right (Henkoff, 1994). Thus, we see a shift in thinking toward the new dominant logic for marketing, one in which the service provision (as opposed to the provision of physical goods) is the basis for economic exchange. Therefore, the new challenge for marketers resides within the inherent difficulty in replicating something that is provided largely as a result of human capital, that is employees (Sundaram and Webster, 2000). As such, while traditionally the management of employees is delegated to the Human Resources department, the fact that employees have been acknowledged as representing an essential organizational asset in the realization of organizational goals (see for example Gronroos, 1979), suggests an urgency for increased awareness on behalf of marketers with respect to the role of employees in realizing their marketing strategies. Therefore, in order to advance their quest for the elusive competitive advantage, astute marketers may be wise to focus their energies towards harnessing the power of the employee.

Consistent with the provision of exceptional service, investment in the organization’s brand is considered to be a strategic weapon in the quest for an edge over competitors (Kim, Kim, and An, 2003; Pappu, Quester, and Cooksey, 2005). As a means by which to define themselves in contrast to the competitors, organizations invest heavily in their brand. In doing so, a bundle of benefits are promoted to consumers with an implied promise that the organization will deliver. Therefore, just as it is the responsibility of the employee to deliver the appropriate service, it is also the responsibility of the employee to ensure that the brand promise is delivered in the manner intended. This means that employees must understand the organization’s brand and what it means to them in relation to their
roles and responsibilities. As such, internal brand management has taken on increased prominence, given the pivotal role that employees play in the deliverance of the brand.

Brand building efforts are driven by a desire to build and maintain strong brands so as to obtain a definite competitive advantage (Kim et al., 2003; Pappu et al., 2005). Therefore, brand equity, as representing a measure of such efforts, has interested academics and practitioners for several years. However, despite internal brand building efforts being promoted in the literature, conceptualization of the benefits of such an investment, from an internal perspective, is lacking. While the literature currently stands divided on the conceptualization of brand equity from a financial versus consumer perspective, this debate is considered here to be incomplete. No consideration has been given to understanding the “added value” attributed to an organization’s brand as a result of employee based brand building efforts. Therefore, this article promotes a third perspective upon which brand equity should be considered and measured, that being employee-based brand equity (EBBE).

**WHY A THIRD PERSPECTIVE OF BRAND EQUITY?**

Brand management has emerged as a significant priority for both management and academics, due to the growing realization that brands are one of the most valuable intangible assets an organization can possess (Keller and Lehmann, 2006). Through their ability to identify a source of a product, assign responsibility to product maker, reduce consumer search and risk costs, establish a promise, signify quality and provide a symbolic attachment (Keller, 1998), brands are considered to present advantages, both economically and symbolically for consumers. In turn, financial benefits can be realized by the owners of such brands (i.e. organizations) provided that they are consistently able to deliver what is promised. It is for this reason that brands are considered to be value generators for businesses (Interbrand, 2007).
Successful brands are classified as such based on their ability to exhibit high levels of brand equity. Papasolomou and Vrontis (2006) advocate high brand equity as being evident to the extent that organizations exhibit characteristics such as higher brand loyalty, name awareness, perceived quality, strong brand associations and credibility. Such non-financial measures or consumer-based perspectives of brand equity are often combined with financial measures, such as future earnings or market share, to gauge the success, or otherwise, of organizations’ brand management activities (de Chernatony and Cottam, 2006). With increasing academic and practitioner interest in measuring the impact of brand management as manifested in brand equity (e.g. Pappu et al., 2005; Srinivasan, Park and Chang, 2005), de Chernatony and Cottam (2006) suggest that rather than one comprehensive methodology to evaluate brand success, there are a range of financial and non-financial measures, that collectively provide the necessary insight. Such a multiple perspective is believed to be beneficial given that it reflects a number of different stakeholders’ perspectives (i.e. customers and shareholders). However, in consideration that central to service brand management is the employee, the brand equity literature falls short of accounting for another stakeholder’s perspective, that being the employee. As organizations are increasingly encouraging employees to embrace their role as brand ambassadors, given that they are considered key to the brand building process (de Chernatony, Cottam and Segal – Horn, 2006), brand equity research from an employee perspective is warranted.

With the marketing literature promoting the need for increased understanding of the impact of brand building efforts, as encapsulated in brand equity, in order to enrich future practices of brand management (Pappu et al., 2005; Atilgan, Aksoy, & Akinci, 2005), such a measure is also considered a requirement for sustained internal brand management practices. Furthermore, with a growing emphasis on senior management accountability and better marketing measures (Srinivasan et al., 2005), the brand equity concept needs to extended internally in line with the adoption of a balanced (internal and external) approach to brand management.
A review of the literature identifies a variety of definitions or views (Keller, 1998; Kim et al., 2003) with respect to brand equity. While brand equity is retained by, and therefore enhanced for, the brand’s owner (Ambler et al., 2002), there are generally considered two perspectives, namely financial or consumer (Kim et al., 2003). It is from either of these approaches that the definition of brand equity is articulated. Supporters of the financial perspective define brand equity as the ‘total value of a brand which is a separable asset - when it is sold or included in a balance sheet’ (Atilgan et al., 2005, p. 238). Measurement of brand equity, from this point of view, is articulated solely in monetary terms. Another term for this perspective is financial based brand equity. Conversely, customer based brand equity (CBBE), represents the consumer perspective of brand equity and can be defined as ‘the differential effect that brand knowledge has on consumer response to the marketing of that brand’ (Keller, 1998, p45).

Despite the shift in both the marketing literature and in marketing practice, towards a more balanced, internal/external approach to marketing and, more specifically, brand management, the brand equity literature is still strongly dominated by these two externally directed perspectives. This is somewhat surprising given the emphasis afforded to the service-profit relationship in the literature (see for example Zeithaml, Berry, and Parasuraman, 1993; Heskett, Jones, Lovemann, Sasser Jr, and Schlesinger, 2001). In particular, Heskett et al. (2001) developed a service-profit chain to illustrate the relationships between employees, customers and profitability. This model clearly depicts a chain reaction that begins with high quality internal support services and policies and moves through to employee satisfaction and loyalty, customer satisfaction and loyalty and resulting in organizational profit and growth (Heskett et al., 2001). In doing so, the service-profit chain clearly demonstrates that satisfied, loyal and productive employees act as catalysts for profitability maximization. So beyond the ‘nice to have’ reasons to be good to your employees, there is a very real edge or financial reason to do so also. However, no attempt, to date, has been made to conceptualize the employee link from a
brand equity perspective.

Consequently, the view promoted within the brand equity literature that customer based brand equity is the driving force for financial based brand equity (e.g. Lassar, Mittal, and Sharma, 1995) is believed to be too narrow. Consistent with the service-profit literature, the brand equity literature needs to broaden its perspective. Recognition must be given to the benefits that are derived from internal brand management as encapsulated in employee based brand equity. Such an investment contributes to consumer based brand equity, which in turn underpins financial based brand equity (as shown in Figure 1). Conceptualization of EBBE, therefore, provides for a more comprehensive approach to brand equity.

--- Insert Figure 1 here ---

Being able to interpret marketing strategies and assessing the value of a brand internally, affords a measurable appreciation of various brand management efforts. It is from this perspective that the conceptualization of a third perspective of brand equity is worthy of research. Strong, successful brands are realized through positive employee behavior and given the paucity of employee research currently in the area of internal brand management, this conceptualization is justified on the grounds of filling this gap in the extant literature.

**SERVICE THINKING**

In contrast to physical goods, the role of the employee in a consumer’s evaluation of a service product is vitally important. In fact, "researchers point out that for many services the experience itself is the key perceptual event from the customer's point of view" (Padgett and Allen, 1997, p.52). The limited
physical evidence in a service often means that the service experience is an outcome of the culture of the organization as well as the training and attitudes of its employees (de Chernatony and Segal-Horn, 2003). Not only the employee's expertise, but also their ability to build and maintain relationships with customers, becomes an inseparable part of the service offering.

The significance of such thinking is further magnified in the context of the new dominant logic for marketing, namely, the service-centered dominant logic, promoted by Vargo and Lusch (2004). This evolution of traditional, tangible and transaction based marketing thinking was aptly summarized by Gummeson (1995, p. 250-251, as cited in Vargo and Lush, 2004) in saying “customers don’t buy goods or services: they buy offerings which render services which create value...activities render services, things render services.” In other words, customers don’t buy the hardware, the ‘bricks and mortar’, of a television, rather they buy the service i.e. entertainment, that the television renders after the purchase takes place. As such, marketing is being encouraged to move from a goods-dominant view, where the focus is on discrete transactions and tangible output, towards a customer centric, service-dominant view, in which intangibility, exchange process and relationships are central (Vargo and Lusch, 2004). This being the case, the role of employees, as being the gatekeeper for performing processes, exchanging skills/ and or services, in which value is derived for the consumer, is amplified.

While the services marketing literature promotes alternate service delivery modes, such as self service technologies (Meuter, Bitner, Ostrom and Brown, 2005), as a means by which to enhance the service encounter, the significance of the employee role in the provision of service quality is not negated. While technology developments can enhance service quality and deliver financial benefits to the organization, such ‘enhancements’ can also be less than profitable. In fact one company reportedly projected $40 million in savings as a result of online billing and servicing, yet realized an actual $16
million loss (Meuter et al., 2005). This result was specifically attributed to limited customer use, which, according to Bitner (2001), is because customers do not always want technology to replace the interpersonal, employee-customer, exchanges. While there can be no denying that the application of technology can provide new ways of delivering a service and realize improved service quality levels for employees and customers, consideration must also be given to the potential down side such as loss of human contact (Bitner, 2001). It is for these reasons that Bitner (2001, p.376) identifies “many companies are coming full circle and now offer human contact as the ultimate form of customer service.”

Irrespective of whether a service is premised by human exchange or facilitated by technology applications, the complexity for organizations to meet customer expectations is magnified in a service encounter. This is attributed to consumers struggling to articulate their expectations. Because of the inherent characteristics of services, the formation of pre-purchase expectations are complicated and increases the consumer’s perceived risk when judging the performance of the service (Zeithaml and Bitner 1996). While Solomon, Surprenant, Czepiel and Gutman (1985) argue that specific short term goals of service encounters are clearly defined and agreed upon by society, the roles of each participant are not always clearly defined, particularly in a competitive and fragmented marketplace. In accordance with role theory, whereby the behavior of an individual is evaluated as being appropriate (or not) as determined by the reactions of other related individuals, it becomes paramount that employees and customers read from a common script (Solomon et al., 1985). In a desire to simplify this process, organizations develop brands. In doing so, brands serve to shape both consumer and employee comprehension as to their role in the service encounter.
Service Branding

While conceptually a brand is the same for a good or service (Vargo and Lusch 2004b), branding plays a particularly significant role in the services arena (Berry 2000). This is attributed to the identified need to build trust and confidence in consumers of a service due to the invisible nature of the purchase (de Chernatony and Dall'Olmo Riley 1999, Goldstein, 2003) as well as the variability of the service encounter. Strong service brands are only realized, however, when the communicated brand promise is consistent to the brand experience delivered. Consumer’s perception of the service brand, while initially formed by the marketing department in the form of external communication, ultimately depends on employee – consumer interaction and the consistency of service delivery (McDonald, de Chernatony and Harris 2001). As such, employees represent a powerful medium for building brand meaning and brand equity (Berry, 2000). It is for this reason that internal brand management practices are emerging as an integral part of an organization’s overall brand management strategy (e.g. Google, Starbucks, Virgin Blue and Southwest Airlines).

Through the adoption of internal brand management practices, organizations can align their internal systems, network and organizational culture in order to realize customer expectations that are derived from the organizations brand (Vallaster, 2004). Furthermore, Solomon et al. (1985, p. 109) argues that “the setting the organization provides, together with the implicit and explicit cues it gives service employees, helps to determine the content of the employee role.” As such, it is from this perspective that the organization’s brand can be considered the common script from which both customers, and employees, read from, in order to determine the behaviors appropriate for the service encounter. However, just as organizations cannot expect to have all customers familiar with their role in the service encounter, given that ideally the business is continually acquiring new customers (Bateson, 2002); organizations cannot expect all employees to be familiar with their role. Therefore, from an
employee perspective, internal brand management helps bridge the employee knowledge gap and, in doing so, aligns customer brand expectations with employee performance. It is from this perspective that Jacobs (2003) asserts that a brand represents the relationship an organization has with its employees just as much as it represents the relationship that it has with its customers.

Through the internalisation of the brand, employees are better equipped to fulfil the explicit and implicit promises inherent in the brand (Miles and Mangold, 2004). This is because the desired brand values, practices and behaviors are clarified and defined, providing a clear direction for all organizational efforts (Tosti and Stotz, 2001). Without such internalisation, the ability for employees to deliver the appropriate customer experience is unlikely. In situations such as this, any external brand-building program is likely to be unsuccessful (Jacobs, 2003). There is an inherent power in having an informed workforce that is both able and committed to delivering the brand promise (Aurand, Gorchels, and Bishop, 2005). Without such brand knowledge, employees are unable to transform the brand vision into the brand reality (Berry, 2000; Miles and Mangold, 2005). As such, it is imperative that marketers understand firstly, how to ensure employees’ posses the required brand knowledge and secondly, how they can measure their internal branding efforts to ensure subsequent development and investment. It is from these perspectives that the ensuing discussion seeks to define employee based brand equity, and in doing so, articulate the dimensions that underpin the definition as well as provide measurable indicators of internal brand management efforts.

**EMPLOYEE BASED BRAND EQUITY**

*Background*

Given the commonly held view that Consumer Based Brand Equity (CBBE) is the foundation upon
which financial brand equity is obtained, it is appropriate to first consider how CBBE is built in the quest to further understand employee-based brand equity. Drawing on the CBBE literature and, in particular, Keller’s (1993) conceptualization of CBBE, is relevant because having knowledge of the brand is considered to be the driving force or the key to creating brand equity. According to Keller (1998), brand knowledge consists of a brand node in the memory with a variety of associations linked to it. How these brand nodes are organized in one’s memory has a significant influence on how individuals will recall information about a brand, which ultimately influences their consumption behavior, as well as brand-related decisions. While Keller (1993, 1998) relates brand knowledge to the consumer, it is equally relevant to the employee. Alternatively, the key to employees being able to deliver the brand promise is brand knowledge. Consistent with the consumer view, if employees are void of brand knowledge, they are not able to behave in the manner desired by the organization nor are they able to make brand-related decisions.

However, the idea of developing an employer brand, which runs as a separate identity parallel to the external brand, albeit consistently, is invalid (Backhaus and Tikoo 2004). Employees do not exist within a bubble that enables them to separate external information from the internally generated information. The desire to build ‘an identifiable and unique employer identity’ (Backhaus and Tikoo 2004) in an existing, or potential, employee’s mind needs to be considered in the broader context of the existing, externally-formed, brand knowledge structures. That is, there is only one organization brand and it is from this single brand identity that various manifestations of it are formed depending on the outcome desired. The different outcomes are embedded in the behaviors that an organization wants consumers, versus employees, to exhibit as a result of having this knowledge. From a consumer perspective, the organization wants to engender a consumption behavior that is long term. In contrast, from an employee perspective, the behavior is a work-related behavior, centred around delivering on the brand promise. Regardless of how these behaviors are manifested, the fact remains that the
information source from which these behaviors originate is the same.

EBBE, therefore, is not so much concerned with the creation of a brand identity, as organizations create this as a matter of course in their pursuit of a competitive advantage. Rather, EBBE, which can be defined as the differential effect that brand knowledge has on an employee’s response to their work environment, requires the translation of the brand identity in a way that is meaningful to the employee in the context of their roles and responsibilities. Through this process, appropriate employee brand knowledge structures are created that enable the attraction and retention of, as well as motivation for, employees to deliver the brand promise. Organizations need to make the brand meaningful and relevant for the consumers to see value and, in turn, exhibit positive consumption behaviors. They also need to make the brand meaningful and relevant for the employees to see value, in order to exhibit positive work-related behaviors, which in turn manifest itself in brand equity.

*Appropriate* brand knowledge structures are an important distinction. This is so because employees coming into an organization will already have, to varying degrees, knowledge of the brand. What differentiates appropriate brand knowledge from pre-existing brand knowledge, with respect to an employee, is that the former is a prerequisite for the employee to be able to translate the brand promise into brand reality. For example, an individual gets a job at Disneyland. They are aware of the majestic castle logo, Mickey Mouse and the ‘Where dreams come true’ tag line, as well as associate the place with a magical and enchanted world. However, as a new ride attendant responsible for the latest and greatest attraction, employees must translate this brand identity into what it means for them as an employee and how they conduct themselves in the context of their work environment. Furthermore, organizations need to be confident that in such situations, the employee’s output is actually contributing to the realization of the brand promise as evaluated by the consumer, as opposed to detracting from it. It is from this perspective that knowledge management, on behalf of the
organization with respect to its employees, is considered a valuable resource for competitive advantage (Bhardwaj and Monin, 2006).

**Brand Knowledge**

In contrast to procedural or explicit knowledge, which an organization formally communicates to employees often through systems and procedures, brand knowledge, as reflected above, can be considered a form of tacit or subjective knowledge that is difficult to formalise and, therefore, communicate. However, according to Bhardwaj and Monin (2006), such tacit knowledge is the starting point from which all other knowledge, such as explicit knowledge, emanates and, therefore, has particular relevance to subsequent organizational benefit. While explicit or procedural knowledge remains largely consistent, or unchanged, in the communication transition process, tacit knowledge is dependant on practical skills or experience (Murray and Peyrefitte, 2007). As a result, tacit knowledge is more complex than explicit knowledge which results in the need for consideration to be given to the transferability of such knowledge. For example, tacit knowledge, in this case an employee’s knowledge of their organization’s brand, can be difficult to identify, explain and therefore influence or shape. This is attributed to the limited understanding employees (external to the marketing department) have with respect to what is a brand and also because such brand knowledge incorporates the employee’s own accumulated experience, intuition and judgement (Murray and Peyrefitte, 2007). Therefore sharing such tacit knowledge, while a pre-requisite for organizational success may, in turn, give rise to multiple interpretations. Influencing such tacit knowledge formation, therefore, as manifested in appropriate employee brand knowledge, requires consideration being given to the means by which such organizational knowledge sharing is enabled. Because management are the primary source for organizational information (Schappe, 1996) that informs employee knowledge structures, it is critical that managers understand how their internal brand
management efforts affect employee learning and subsequent realization of EBBE benefits. A review of the marketing and management literature reveal several dimensions that are considered to be contributors to realizing employee based brand equity as a result of employees holding appropriate brand knowledge. To enable management to have a comprehensive understanding of how to realize such internal brand equity, the following discussion explores each dimension in turn.

**Internal Brand Management**

As stated previously, EBBE is not concerned with the creation of a unique employer identity that is separate to the identity that resides in the customers mind. Rather, it reflects an awareness of the existing brand knowledge that employees hold as being active participants in the market and seeks to transform that brand knowledge in a manner that enables employees to be successful. In other words, to enable employees to hold appropriate brand knowledge so as to be able to deliver the brand promise. It is from this perspective that *information generation* is concerned with guiding organizational actions through enhanced understanding of existing employee brand knowledge structures. Conversely, at a *knowledge dissemination* level, the focus is on translating brand information in a manner that is relevant and meaningful to the employee’s job. Such facilitation of information is considered essential for employees to be able to understand their role in delivering the brand promise.

**Information Generation**

In order to formulate effective internal messages that ultimately bring about a change in employee behavior, it is appropriate for organizations to have an understanding of employee capabilities as well as their needs and wants (Lings, 2004). *Information generation* allows the organization to develop
internal products and services, which employees perceive to be meaningful and relevant to them with respect to fulfilling their roles and responsibilities. For example, conducting employee research provides organizations with insight as to the state of the organizational climate, employee skills, or lack thereof, as well as acts as an informant with respect to customer satisfaction. From such insight, organizations are able to respond to the needs of the internal market through such initiatives as improved internal systems and procedures, targeted training and development and enhanced products and services for the benefit of the end consumer. Therefore, *information generation* is considered to play an important role in internal brand management, as, consistent with effective external brand management practices, having an appreciation of how the target market rationalises and, therefore, responds to brand management efforts allows for informed decision making to be realized. As a result, organizations are in a better position to mould, structure and present brand information (*knowledge dissemination*) pertinent for effective employee behavior that is considerate and therefore aligned with the capabilities and desires of the internal market.

*Knowledge Dissemination*

*Knowledge dissemination* is concerned with providing the context with which the brand identity is made relevant to each employee (Lings and Greenley, 2005). That is, to enable employees to exhibit positive attitudes and be capable of delivering the articulated brand promise, information must be provided to them that demonstrates the linkage between the externally promoted brand identity, or promise, and their roles and responsibilities. Further to the dissemination of external marketing information, employees, to enhance their comprehension of organizational expectations of them, also draw upon additional information sources. Such information sources include training and development and personnel management whereby both of these human resources functions communicate information to employees with respect to their roles and responsibilities. Therefore, it is
imperative that they are developed in the context of facilitating employee capabilities with respect to delivering the brand promise. Drawing on the content provided by the organization’s brand identity provides a context for the development of training and development and personnel management initiatives. Furthermore, using the brand identity as a reference point for internal systems and procedures also enables a consistency of message with respect to what employees need to do to deliver on customer expectations versus what support and systems the organizations provide to facilitate this.

Information generation and knowledge dissemination represent the encoding and transmitting phases of the communication process necessary for employees to be provided with brand information that is needed for them to deliver the brand promise. However, the provision of meaningful and relevant information doesn’t, necessarily, mean that employees will respond to that information as the organization intends. Employees must also be motivated or have a genuine desire to willingly deliver the brand promise.

Motivation and ability to be a brand performer

According to Corace (2007), the vast majority of an organization’s employees is aware of what their organization expects of them and, therefore, goes about their daily duties in a responsible manner. However, he questions whether this level of activity is consistent with the employees’ actual level of capability, suggesting that there is ‘untapped’ discretionary work effort that resides within these employees. The importance of being able to tap into this discretionary work effort or behavior lies in the fact that, particularly within a service setting, not all brand related behaviors and actions can be predetermined. Therefore, organizations need employees to not only be cognisant of what their role entails, but just as importantly, have the confidence and the motivation/desire to call on this
discretionary work effort as required. Such confidence and motivation is realized when employees can internalise or identify with the organizational values.

Therefore, it is considered a requirement for effective internal brand management that recognition be given to information generation and knowledge dissemination, which are both transactional in nature, needing to be supplemented by additional components that enhance employee performance. According to Corace (2007) the ‘secret formula’ to realising engaged employees, which is a necessity for employee brand knowledge to realize organizational benefits, is the ability for organizations to treat their employees with respect and dignity. Such an approach to employee management is believed, here, to engender employees that are receptive to organizational dialogue (openness) and who perceive their organization treats them like a human being e.g. with respect, is cooperative, communicates well, encourages working towards a common goal (the ‘H’ factor). Through such practices, satisfaction of the ‘what’s in it for me’ (WIIFM) employee requirement for discretionary work effort (Corace, 2007), should be realized.

Furthermore, consistent with the thinking promoted earlier, that employee brand knowledge is considered to be tacit knowledge, Murray and Peyrefitte (2006) promote the need for ‘rich media’ or personal, face to face communication to be employed to share tacit knowledge given the potential for mis-interpretation. This is attributed to employees preferring such ‘rich media’ to be used for ambiguous communications as it provides the opportunity for rapid feedback, allowing communicators to apply multiple cues so that a shared understanding is realized. Such consideration as to the appropriate use of mediums to transfer tacit brand knowledge amongst employees, combined with the need for employees to appreciate WIIFM in order to internalise and exhibit brand aligned attitudes and behavior, gives rise to internal brand management practices incorporating higher order, relational components of openness and the ‘H’ factor.
Openness

For information to be transmitted effectively and interpreted as the sender intended, the receiver (in this case, the employee) must be prepared to receive the information. Openness, therefore, represents aspects of the organizational climate that are considered important contributors to employees being responsive to both the organization and, subsequently, the organization’s customers. This dimension of internal brand management is considered to be unique to this conceptualization. The dimension’s unique qualities are underpinned by the fact that in appreciating openness as an internal brand management dimension, several aspects of the marketing and management literature collectively contribute to defining it. For example, the role of management, and in particular management support, is considered to be important in creating an open environment given the close proximity in working relationships with employees. As such, management support is considered essential for successful employee outcomes (see for example Holtzhausen 2002; Naude, Desai and Murphy, 2003; Bell, Menguc and Stefani, 2004) and, therefore, a necessary aspect of the openness dimension.

Furthermore, organizational socialization, or the process by which employees gain an appreciation for the values and beliefs of the organization and the subsequent expectations of them by the organization (Naude et al., 2003), is also considered to be an important factor to enhance employee responsiveness. This is because such socialization has been found to lead to greater motivational effort and organizational commitment on behalf of the employee (Kelley 1992). Employee attitude towards their job is believed to be another significant contributor to minimising distortion in the communication process, given that employee attitude, which is influenced by how they feel they are treated as a member of an organization (Naude et al., 2003), influence an employee’s overall job satisfaction. The extent to which an employee is satisfied with their job is believed to influence their receptivity towards organizationally generated information. Given that employees must be willing to
receive organizationally generated information if appropriate brand knowledge is to be realized, a positive employee attitude towards their job is significant. Furthermore, it is also conceptualized here that employee involvement or participation is important for the creation of an environment that is open or receptive to organizational driven information. Employee involvement is concerned with the extent to which employees actively, given the opportunity, participate in organizational initiatives such as providing feedback or helping shape consumer-based decisions. Such involvement is perceived to strengthen the employee’s organizational commitment (Conduit and Mavondo 2001) and, therefore, increase their receptivity for such information.

*The ‘H’ Factor*

Underpinning all of the internal brand building exchanges, however, are people, who, through human nature, bring their own perceptions and expectations to the exchange table. Successful exchanges, therefore, are premised by the need to consider elements that have been promoted in the relationship marketing literature as being drivers of successful relationships. Such drivers of successful relationships include shared goals, trust, attachment or bonding, respect/reciprocity or empathy and cooperation. Without due consideration being given to the drivers of successful relationships, any attempt to realize successful organizational outcomes as enabled through internal relationships, is likely to be futile. As such, the human factor or the ‘H’ factor is concerned with organizations treating employees like human beings e.g. with respect, is cooperative, communicates well, is trustworthy, encourages working towards a common goal. From the perspective of this conceptualization, the ‘H’ factor is the conduit through which profitable organization – employee exchanges are realized.

Despite the fact that such a consideration can be perceived to be common sense and occurring
naturally within relationships, it represents a significant oversight in the literature, particularly the internal communication and early internal marketing literature, when considering a comprehensive approach to influencing employee behavior. Furthermore, from a practitioner perspective, the assumption that people will work together harmoniously and that senior management promote collaboration (Tjosvold, Meredith, and Wellwood, 1993), is impeded, amongst other things, by the territorial nature of individuals to preserve their own domain (Ballantyne, 2000). As such, to assume consideration is given to aspects of relational exchanges is thought to be insufficient to realize positive employee behavior. Rather the realization of a successful exchange between employer and employee requires the articulation of such an intent coupled with the identification, and subsequent measurement, of the drivers of positive relationships, as mentioned previously. As a result, the ‘H’ factor is considered to be an essential dimension of internal brand management.

The previous discussion introduces the four dimensions believed to be necessary in the adoption of a successful internal brand management strategy and these are depicted in Figure 2. The whole premise upon which such internal brand management components (i.e. information generation, knowledge dissemination, openness and the ‘H’ factor) are employed is to ensure that employees have appropriate brand knowledge so that they can deliver the brand promise. Brand knowledge, therefore, and consistent with the external perspective, is considered to be the key to realising brand equity. Without knowledge of the brand, the employee is unable to behave in the manner to which the organization intends.

**Employee Brand Knowledge Effects**

While employee brand equity benefits are manifested in employee intentions and actions, understanding the reasons and decisions behind these ‘observable actions’ is considered just as
significant as appreciating the actual benefits themselves (Schiffman et al., 2001). Therefore, the identification of the knowledge effects that are endowed to an employee as a result of being provided with brand knowledge is deemed to be relevant to the EBBE conceptualization. In particular, this conceptualization proposes that as a result of such brand knowledge, employees’ role clarity and commitment to the brand, will increase and, therefore, are considered an important, outcome of internal brand management (refer Figure 2).

Role Clarity

Providing employees with clear guidance and direction, as premised through the provision of appropriate brand knowledge, has the potential for role conflict and confusion to dissipate. As a result increased job satisfaction and organizational commitment is realized (Siguaw, Brown, and Widing II, 1994; Jones, Busch, and Dacin, 2003). If an employee believes that information that is important to fulfilling their performance expectations is not widely distributed, the employee’s role ambiguity increases (Babin and Boles, 1996). Given that employees having brand knowledge is considered to be important for providing them with the direction to be successful in their role (King and Grace, 2005), role clarity is considered a relevant means through which employee brand knowledge can be assessed.

Brand Commitment

In order to ensure employees have a genuine desire to deliver the brand promise, the level of employee commitment becomes an important prerequisite for realising EBBE also. In recognition of the relational or exchange association that exists between the employee and the organization, the importance placed on such a relationship from an employee’s perspective, is commensurate to the
effort desired to maintain it (Morgan and Hunt, 1994). In other words, if the employee perceives the relationship with the organization to be a positive one, worthy of maintaining, then the employee has a high level of commitment to the organization. Commitment, in this sense, is considered to be a key variable in determining organizational success (Morgan and Hunt 1994) as employees feeling of belonging influences their ability to go above and beyond the call of duty in order to achieve the organization’s goals (Castro, Armario, and Sanchez del Rio, 2005).

While there are three perspectives of organizational commitment, namely affective, continuance and normative, the former is the dimension promoted in this paper. Both continuance commitment, which infers that employees are consciously aware of the costs associated with leaving an organization and normative commitment, which reflects a feeling of obligation (Castro et al., 2005) are driven by external consequence. In contrast, affective or attitudinal commitment is more an internalised perspective, representing the strength of the individual’s attachment to the organization and the extent to which they internalise or adopt the values, characteristics, perspectives and beliefs of the organization (O'Reilly and Chatman, 1986; Iverson, McLeod, and Erwin, 1996; Castro et al., 2005). This perspective of commitment is consistent with the higher order brand resonance that Keller (2001) believes is the pinnacle in external brand building and, therefore, essential for the creation of brand equity. Brand resonance, consistent with affective or attitudinal brand commitment component, refers to the relationship customers have with a brand and the extent to which they feel in synch with that brand (Keller, 2001). The attainment of such brand resonance or commitment engenders not only behavioral loyalty and attitudinal attachment but also has the ability to create a sense of community amongst those that are also associated with the brand (Keller, 2001). In turn, an internally driven affiliation with the organization is realized.

As a result of the provision of brand knowledge internally, an employee’s clarity with respect to
organizational expectations of them increases. Furthermore, the opportunity for employees to gain an appreciation of the organization’s brand values and intentions is believed, here, to have the potential to engender a level of employee attachment to the organization that results in the employee holding synergistic values worthy of maintaining. Such role clarity and affective employee attachment to the organisation is believed to derive measurable organizational benefits, namely *EBBE benefits*.

**EBBE Benefits**

As is evidenced from the previous discussion, internal brand management is a facilitator of employee brand knowledge, which in turn, is believed to be the precursor for organizations to realize measurable benefits. In the context of this conceptualization, the benefits that are coveted by organizations that adopt internal brand management practices, lie in the attitudinal and subsequent behavioral intentions exhibited by employees. This is because behavioral intentions are considered indicators that signal the likelihood of a positive relationship with the organization continuing (Zeithaml et al., 1996; Bloemer and Odekerken- Schröder, 2006). The significance of identifying *EBBE benefits* lies in the fact that such benefits are considered to be the foundation upon which customer satisfaction and financial performance is enhanced (see for example Loveman, 1998; Heskett et al., 2001). In other words, the ability to identify and measure the results of internal brand management not only provides an indication of the level of success of such efforts, but more importantly, informs the organization as to whether the first link in the service profit chain (i.e. employees) is strong enough to sustain the subsequent links (i.e. customer satisfaction and profit realization).

The strongest affirmation of a connection between the brand and the intended recipient is in actual fact, the recipient’s *active* engagement (Keller, 2001) in the brand experience. It is from this
perspective that employees’ exhibiting brand citizenship behavior (BCB) is considered to be the first construct that contributes to organizational benefits derived from EBBE. A precursor, however, to positive employee behavioral intentions and subsequent behavior as manifested in BCB, and consistent with consumer behavior research, is satisfaction (Heskett et al., 1994; Loveman, 1998). In fact, Pearson (1991) emphasises that decreased job satisfaction leads to a greater probability of withdrawal behavior, which is in direct conflict to the positive employee behaviors coveted by organizations. As such, employee satisfaction is also included as a dimension of EBBE benefits. Employee satisfaction is considered to be an end state of the application of internal service quality initiatives such as communications, teamwork, resource allocation and perceived quality of senior management (Hesket et al., 1994; Loveman, 1998).

Furthermore, employee satisfaction is linked to retention of employees (Boselie and van der Wiele, 2002; Rust, Stewart, Miller and Pielack, 1996) and positive word of mouth communication (Shinnar, Young and Meana, 2004). It is from this perspective that Loveman’s (1998) employee loyalty construct is measured by expressed commitment and length of employment, which parallel Bloemer and Odekerken-Schröder’s (2006) positive word of mouth and intention to stay constructs. Such consistency of thinking underpins employee intention to stay and positive employee word of mouth, as benefits realized as a result of EBBE. EBBE benefits, therefore, which can be defined as employee exhibition of brand consistent intentions and actions, incorporates brand citizenship behavior, employee satisfaction, employee intention to stay and positive employee word of mouth (refer Figure 2).

One important reason for considering EBBE benefits as being multi-dimensional is to embed an objective focussed outcome that allows for organizational confidence with respect to interpreting the impact of internal brand management. As such, employee loyalty, which, on the surface, could be
considered an appropriate benefit of EBBE given the belief that it is an important determinant of customer loyalty and, in turn, the financial successes of the organization (Heskett et al., 1994; Loveman, 1998; Bloemer and Odekerken-Schröder, 2006), is not incorporated within this model. This is because the word ‘loyalty’ is subjective in its interpretation (Hajdin, 2005). For example, in a business sense, customer loyalty is realized when customers repeatedly buy a product from a particular business. Therefore, according to Hajdin (2005) purchasing the same toothpaste out of a thoughtless habit is classified as loyalty. Furthermore, an employee who stays with an organization for a long time solely to receive certain entitlements could be considered loyal if the only indication is tenure. Both of these perspectives illustrate very pragmatic and somewhat unconscious decisions that are not driven out of a sense of allegiance to the organization, rather out of necessity.

In the absence of a clear definition and understanding of what loyalty actually is, more specific and, therefore, measurable benefits need to be identified. It is for this reason that Zeithaml, Berry and Parasuraman (1996) believe loyalty to be manifested in several ways. As such, consideration of employee behavioral intentions in a one-dimensional way is believed to lack sufficient insight. Therefore, it is from this perspective that benefits of EBBE are considered to be collectively represented by several, rather than one, dimension.

--- Insert Figure 2 here ---

**DISCUSSION**

In seeking to provide a solid foundation upon which practitioners and academics alike can consider a third, yet equally relevant, perspective of brand equity, the proposed EBBE framework (refer Figure 2) provides for a comprehensive conceptualisation of not only how to measure EBBE, but just as
importantly, what dimensions contribute to such equity. Therefore, it is the intention of this paper that
the EBBE framework enables enhanced internal brand management practices. The necessity for
enhanced internal brand management practices is embedded in the fact that while customers gain
awareness of the brand from external brand building efforts, it is the actual experience with the brand
that dominates customer brand perceptions, of which employees play a major role. Regardless of how
well a brand is presented, nothing will salvage a weak brand experience (Berry, 2000). Therefore, by
conceptualizing EBBE, this paper provides an increased level of awareness with respect to how to
maximize positive consumer brand experiences.

In particular, the conceptualisation of EBBE accounts for the unique relationship that exists between
the employee and the organization. The goal of internal brand management is to influence employee
behaviour to deliver the organization’s brand promise, however to do this successfully, more effort is
required on behalf of marketers than simply giving the employee brand related information. While
traditional organizational structures allocate the management of the human resources function to the
Human Resources department, there has been an increased emphasis on employee management have
a balanced i.e. internal (human resource) and external (marketing) market perspective in order to
satisfy customer expectations (de Chernatony et al., 2003; Ling, 2004; Herington, Johnson & Scott,
2006). In recognition of this, both the management and marketing literature formed the basis of this
conceptual paper as it was believed that managers’ comprehension and adherence to both marketing
and human resource philosophies would ensure a positive employee experience. In fact, Tosti and
Stotz (2001) argue that such coordination not only optimizes the impact of the marketing strategy but
also enables a systematic and comprehensive approach to consider all factors (internal and external)
that influence organisational performance.

Furthermore, such a mutli-disciplined perspective to conceptualize brand equity from an employee
perspective also afforded an extension to Keller’s (1998) cognitive psychology approach to brand equity, beyond that of connectionism thinking. From Keller’s (1998) perspective, brand knowledge consists of a brand node in the memory with a variety of associations linked to it, that will ultimately affect not only how consumer’s recall brand information but also respond (behave) towards the brand. Keller’s (1998) conceptualization is represented in the cognitive psychology literature as a connectionist approach, concerned with units in the brain being linked to other units that depict certain information (Galotti, 2004). The significance of brand equity being conceptualized within a cognitive psychology framework is that it accounts for how the brain processes information (Groome, 2006), which ultimately affects the way people behave. However, the connectionist approach does not account for the environment in which such cognitive processes occur. That is, it is more concerned with how the information is processed in the brain and not on what has influenced the information i.e. the context, prior to brain processing (Galotti, 2004). Such a limitation is apparent in Keller’s (1998) conceptualization as he did not account for the influence of brand experience in the realization of brand equity.

Acknowledging that brand knowledge is the key to realising brand equity, the conceptualization of the EBBE framework is cognizant of the importance of maintaining a cognitive psychology framework. However, the EBBE framework builds on Keller’s work by attempting to address the ‘environmental’ deficit, and adopting a more context-based cognitive psychology paradigm promoted by Galotti (2004), that being the ecological approach. Galotti (2004) argues that as

“cognition does not occur in isolation from larger cultural contexts; all cognitive activities are shaped by the culture and by the context in which they occur (p. 33)

As such, comprehension as to the context within which the cognitive processes occur enables a more
‘real world’ approach to understanding how people process information. In accounting for the two dimensions that are believed to facilitate or influence the meaning employees ascribe to brand information, namely openness and the ‘H’ factor, which are reflective of the organization’s culture, this paper is proposed to build on existing theory as it relates to the application of cognitive psychology in the context of the brand equity literature.

Through the introduction of the concept of EBBE, this paper has endeavoured to provide both justification, as well as prescriptive discussion, to stimulate active debate in both academic and practitioner arenas. The conceptualization has been driven by the need for measurable benefits (brand citizenship behavior, employee satisfaction, employee intention to stay, positive employee word of mouth) to enable continued investment in internal brand management. Furthermore, in recognition that the employer-employee relationship is an exchange process, the conceptualization has endeavored to emphasize the need for effective internal relationship management (openness and the ‘H’ factor) to be a precursor for the traditional transaction based internal marketing initiatives (information generation and knowledge dissemination) to realize the full potential.

**Future research considerations**

Given the conceptual qualities of this paper and, in particular the proposed dimensions for building and measuring EBBE (see Figure 2), further research are necessary. Future research will not only allow for the refinement of the dimensions as they currently stand, but will also afford the ability to empirically explore relationships between variables. In particular, in consideration of the definition of EBBE, (i.e. the differential effect that brand knowledge has on an employee’s response to their work environment) it is appropriate that further research explore the relationship between the internal brand management dimensions (i.e. information generation, knowledge dissemination, openness and the ‘H’
factor) and how they influence the proposed brand knowledge effects (i.e. role clarity and brand commitment). In turn, consideration should then be given to exploring the relationship between the brand knowledge effects and EBBE benefits. Such research will provide insight into what influences positive employee behaviour and, in doing so, inform marketers as to a comprehensive framework upon which to build an internal brand management strategy.

Furthermore, whilst several of the dimensions promoted in Figure 2 are evident in the extant literature (e.g. role clarity) and therefore have existing measures, there are also dimensions that are considered to be unique to this framework (e.g. openness). Given that the latter’s origins have linkages within the literature (e.g. management support), future research would allow new measures to be developed for such dimensions. Ultimately, with each dimension being able to be measured, research can evaluate the performance qualities of the EBBE model in its entirety.

While this paper conceptualizes EBBE in the context of a service industry, consideration could also be given to research applications in a manufacturing based industry. Undertaking research in both industries would afford comparative data that would contribute to the debate as to whether there is actually a distinction between services and goods marketing. Finally, broader implications of EBBE should be explored in the context of its relationship to both customer and financial brand equity. While a relationship is promoted in the literature between employees, customers and the financial outcomes for an organization (see for example Service Profit Chain), validating such a link via brand equity has previously not been possible give the absence of employee brand equity. Provided future research validates the EBBE conceptualization, research efforts can extend the analysis to incorporate the three perspectives of brand equity, namely employee, customer and financial.

Finally, in consideration of areas for future research, it is important to note that this conceptualization
was premised by the need to be able measure the success, or otherwise, of internal brand management investments. Given that what defines success in an organization is context specific, it is not the intention of this conceptualization to provide a definitive of what employee brand equity should be. The level of employee brand equity coveted by organizations will vary across business units, across organizations and across industries. For example, the difference between a high contact service and a low contact service may result in different levels of brand equity being considered as appropriate. Furthermore, in appreciating the differences in organizational context, it has not been the intention of this conceptualization to identify incentives to enhance employee brand equity. This is because what is considered an incentive for one employee group may be very different from another. While not dismissing the power of an incentive-driven workforce, this conceptualization seeks to bring to the attention of marketers, via the dimensions of *openness* and the ‘*H*’ factor, that a precursor for internal brand management success is satisfying the WIIFM (what's in it for me) criteria, of which a range of incentives (e.g. financial, emotional and social) would underpin.

Having said this, in order to further comprehend effective internal brand management practices, the dimensions of the EBBE framework could be explored in a case study style setting. This would afford greater insight into how specific organizational actions and cultures influence the performance of the dimensions. For example, how does a conservative brand such as Lloyd TSB with traditional organizational structures and a strong emphasis on systems and procedures, communicate their brand values to realize the same level of role clarity and brand commitment as a more modern brand such as Virgin Atlantic. While the end state maybe the same, how each organization achieves such internal alignment may in fact be very different.
CONCLUSION

The increasing application of internal brand management practices demands that brand equity be extended to account for the internal or employee perspective for two reasons. Firstly, effective brand management is premised by the need for increased comprehension as to the impact of various brand-building activities as realized through brand equity (Pappu et al., 2005; Atilgan et al., 2005). Secondly, there is an increased demand for management accountability (Srinivasan et al., 2005). The ability to measure brand equity from an employee perspective enables such accountability for managers responsible for internal brand management. Therefore, through the introduction of an employee perspective of brand equity, this conceptual paper has sought to stoke the academic and practitioner fires towards further enquiry into this currently under explored, yet important area. The conceptualization here in, provides another means by which to model brand equity and, in doing so, seeks to expand on existing theory.
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FIGURE 1 Components of Brand Equity

BRAND EQUITY

Employee-Based Brand Equity → Consumer-Based Brand Equity → Financial Brand Equity
Figure 2 Dimensions of Employee Based Brand Equity

Employee Based Brand Equity (EBBE) →
- Internal Brand Management
  - Information Generation
  - Knowledge Dissemination
  - Openness
  - The ‘H’ factor

Employee Brand Knowledge Effects →
- Role Clarity
- Brand Commitment

EBBE Benefits →
- Brand Citizenship Behaviour
- Employee Satisfaction
- Intention to stay
- Positive employee word of mouth