ABSTRACT

Purpose: This paper presents the first known empirically-tested model of Employee Based Brand Equity (EBBE). In doing so, it provides insight into not only how organisations can effectively manage the internal brand building process but, more importantly, appreciate the subsequent employee effects and organisational benefits.

Methodology/Approach: Data were collected via an online survey of 371 employees that work in service organisations, sourced from a market research database list.

Findings: Strong support was found for nine out of the ten hypothesised relationships thus providing strong validation for the proposed model.

Research limitations: The employment of surveys can present data collection problems stemming from such things as lack of willingness to participate on behalf of the respondent, loss of validity when using structured questionnaires and inherent challenges of wording questions properly. However, in acknowledging these limitations, actions, such as the utilisation of a national database of ‘opt in’ survey participants coupled with the good reliability results and the methodical four-stage survey design process undertaken, it is suggested that every effort was made to negate this limitation.

Practical implications: Knowledge gained from empirically validating a model of EBBE 1) further enriches the application of traditional brand management techniques; 2) provides a framework for brand communication training; 3) increases organisational understanding of how to engender positive employee actions and; 4) increases the accountability of such an internal investment by identifying measurable organisational benefits that accrue as a result of such efforts.

Value of the Paper: This paper makes three important contributions including 1) expanding the existing brand equity literature to incorporate a third, yet equally
relevant perspective, that being employee; 2) the adoption of a multi-disciplined approach to addressing a marketing issue and, in doing so, extending beyond the connectionist cognitive psychology view of brand equity to incorporate a contextual/organisation cultural element and; 3) reflecting the perceptions of employees, who are currently underrepresented in the internal brand management literature.

**Keywords:** Brand Equity, Employee, Service Brands, Internal Brand Management

**Paper Type:** Research Paper

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**INTRODUCTION**

There can be no denying that in today’s competitive and fragmented market, competitive advantage realised through tangible, functional benefits, is no longer sustainable. In fact, it has been argued in the literature that the real competitive advantage in today’s intensive market is realised through an increased focus on operant resources, for example, skills and knowledge (Vargo & Lusch, 2004). With functional values lacking unique or distinctive attributes, given the ease with which they can be copied, de Chernatony and Cottam (2006, p. 616) argue, “ultimately, *what* is delivered is less important than *how* it is delivered”. It is for this reason that an organisation’s brand, which is considered to be a cluster of functional and emotional benefits, is considered to be a necessity for organisational sustainability. In particular, it is through the emotional benefits of the brand that the operant resources are reflected and, in turn, provide the element of uniqueness/differentiation that brand management covets.

Successful brands, in turn, are considered to have high brand equity. Papasolomou and Vrontis (2006) advocate high brand equity as being evident to the extent that organisations 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 in order to gauge the success, or otherwise, of organisations’ brand management activities (de Chernatony
& Cottam, 2006). With an increasing interest in both academia, and in practice, to measure the impact of brand management, as manifested in brand equity (e.g. Pappu, Quester & Cooksey, 2005; Srinivasan, Park & 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 organisations are increasingly encouraging employees to embrace their role as brand ambassadors (de Chernatony et al., 2006), brand equity research from an employee perspective is warranted.

Brand management necessitates due consideration be given to employees (de Chernatony & Cottam, 2006) because it is the employees’ skills and knowledge (i.e. operant resource), which provide the competitive advantage for an organisation. It is considered essential that all employees have an opportunity to understand the brand as it relates to their roles so that they, in turn, can deliver the brand promise (Gapp & Merrilees, 2006). This is because it is becoming increasingly critical for employees to be able to consistently demonstrate positive organisational behaviours for organisations to perform effectively (Parker, 2007). It is through effective internal brand management practice that employees realise the range of emergent skills and knowledge necessary for the collective goals of the organisation to be met.

While strong, successful brands are realised through positive employee behaviours, currently, there is a paucity of employee research in the area of internal brand management. In seeking to address this deficit, this study empirically tests a model of Employee Based Brand Equity (EBBE). In doing so, it provides insight into not only how organisations can effectively manage the internal brand building process but, more importantly, appreciate the subsequent employee effects and organisational benefits.

This paper makes three key contributions:
• Firstly, the brand equity literature is strengthened through the empirical validation of a third perspective of brand equity, namely employee based brand equity. In doing so, this paper presents a framework to assist with understanding and building brand equity from an employee perspective upon which measurable outcomes can be realised.

• Secondly, this paper extends the cognitive psychology – connectionist perspective of brand equity as espoused by Keller (1998) adopting a more context-based cognitive psychology paradigm. Galotti (2004, p. 33) argues that “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.” Therefore, this study introduces two new constructs to the internal brand management literature, namely openness (defined as the extent to which an employee is receptive to organisational dialogue) and the ‘H’ factor or the ‘Human’ factor (defined as the extent to which an employee perceives that the organisation treats them like a human being e.g. with respect, is cooperative, communicates well, is trustworthy, encourages working towards a common goal). Their inclusion in the EBBE model accounts for the contextual influences on cognitive process, thus, expanding existing theory with respect to the application of cognitive psychology in the context of the brand equity literature.

• Thirdly, this study reflects the perspectives of employees, who have had limited representation in internal brand management research. To date, a large amount of research has been based upon the opinions and experiences of brand management consultants, advertising executives and/or managers (e.g. de Chernatony et al., 2006). However, the real insight with respect to internal brand management effectiveness lies in determining how brands are interpreted from the employee’s point of view and how such interpretation translates to brand-related behaviours. This is because the ultimate goal of internal brand management is to influence employee attitudes and behaviour. To do this effectively, however, requires an understanding of how employees react and respond to such internal initiatives. This distinction is important because it is only through the evaluation of internal
brand management outcomes i.e. employee attitudes and behaviour, that continued investment and enhanced internal brand management practices are to be realised.

**LITERATURE REVIEW**

A review of the literature identifies a variety of definitions or views (Keller, 1998; Kim, Kim, & An, 2003) with respect to brand equity. While brand equity is retained by, and therefore enhanced for, the brand’s owner (Ambler, Bhattacharya, Edell, Keller, & al, 2002), there are generally considered two perspectives, namely financial or consumer (Atilgan, Aksoy, & Akinci, 2005; Kim, Kim, & An, 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 employees in the service-profit relationship in the services marketing literature (e.g. Zeithaml et al., 1993; Heskett et al., 1994). In particular, Heskett et al. (1994) 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 organisational profit and growth (Heskett, Jones, Loveman, Sasser Jr, & Schlesinger, 1994).

In consideration of Heskett et al.’s (1994) service profit chain, parallels can be drawn
between the profit/growth link and financial based brand equity. Furthermore, the customer loyalty link, as engendered through customer satisfaction is, in fact, represented as an outcome of consumer based brand equity as conceptualised by Keller (1998). However, the service-profit chain clearly emphasises the satisfied, loyal and productive employee link acting as a catalyst or foundation through which organisations can maximise their profitability. However, no attempt, to date, has been made to conceptualise 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 (Lassar, Mittal, & 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 (EBBE). Such an investment contributes to consumer based brand equity, which in turn underpins financial based brand equity. Conceptualisation of EBBE, therefore, provides for a more comprehensive approach to brand equity.

**CONCEPTUAL FRAMEWORK**

The research model for this study was developed by consolidating and synthesising internal brand management literature, or more specifically, internal communication, internal marketing and internal relationship marketing literature. The model proposes there are three key areas upon which the process of establishing EBBE can be understood i.e. **internal brand management practices, brand knowledge effects** and **internal brand management benefits**. Within these three key areas constructs, such as **information generation, knowledge dissemination, openness, the ‘H’ factor, role clarity, brand commitment** and **EBBE benefits**, emerge. The following discussion outlines the development of the EBBE model and presents the hypotheses of this study.

--- Take in Figure i ---

*Internal Brand Management*
To influence employee attitudes and behaviour so that they reflect organisational requirements, it is necessary to provide employees with direction. Such direction ensures employees are able to successfully carry out their roles and responsibilities (King & Grace, 2005). At a rudimentary level, the process must start with the transfer of brand-related information from the organisation to the employee. On this basis, the organisation must not only have an appreciation or understanding of the employee market with respect to the organisation’s brand (information generation), it must also use this insight to disseminate brand knowledge in a meaningful and relevant manner (knowledge dissemination).

Information generation, therefore, refers to the organisation increasing its comprehension of employees’ attitudes and capabilities with respect to delivering the brand promise for the purpose of improving organisational actions and decision-making. Generating such employee based information emanates from either informal channels, such as the organisational grapevine (Argenti, 1998), or through more formal communication channels, such as internal market research (George, 1990; Gronroos, 2000; Lings, 2004). Irrespective of how employee information is collected, such insight is considered necessary for the organisation to develop appropriate responses to meet the needs and wants of the employee market (Lings and Greenley, 2005). Defined as the extent to which an employee perceives the organisation generates information via employee feedback (informal and formal), information generation is considered necessary for organisations to enhance their message development in line with internal market needs.

Drawing on the content provided by the organisation’s brand identity, and supplemented by the insight afforded as a result of information generation, knowledge dissemination is concerned with equipping employees with knowledge to satisfy customer expectations that are formed as a result of the brand’s communicated identity. Communication of information with respect to the service offering, customer needs and wants, product and service benefits and characteristics as well as the corporate aims and objectives all contribute to the clarification of employees’ roles within their work environment (Lings & Greenley 2005). Such information is considered an important prerequisite for aligning employees’ attitudes and behaviours
with organisational goals (Guest & Conway, 2002), as it is considered to be a valuable medium through which individual behaviour can be modified (see for example Kessler, Undy and Heron, 2004; Argenti, 1998; Robson and Tourish, 2005). Knowledge dissemination is, therefore, defined as the extent to which an employee perceives brand knowledge is transferred from the organisation to the employee, in a meaningful and relevant manner.

While information generation and knowledge dissemination are considered here to be necessary for brand meaning transfer to occur, it is the creation of an environment that enhances an employee’s ability and motivation to acquire and develop relevant and meaningful brand knowledge, that is believed to, ultimately, influence employee behaviour. Such thinking is premised by the understanding that the attainment of favourable outcomes, such as customer conscious employees, by the organisation, is engendered through an exchange process between the employer and the employee (Aselage and Eisenberger, 2003). It is only through the appropriate treatment of employees by the organisation, that the attainment of positive and productive employee behaviour is likely to be realised. Therefore, the employment of internal brand management practices necessitates consideration be given to the fact that that employment represents an exchange process whereby the provision of material and socio-emotional benefits by the organisation is exchanged for employee effort and loyalty (Deluga, 1994; Aselage & Eisenberger, 2003; Wayne, Shore & Linden, 1997; Beckett-Camarata, Camarata and Barker, 1998). In recognition of the exchange considerations of the employee/employer relationship, internal brand management practices are believed to be enhanced by the creation of an environment that is responsive to receiving information (openness) and one that fosters positive social and economic relationships (the ‘H’ factor or the ‘human’ factor) that will ensure the success of such a transfer in developing appropriate employee brand knowledge.

Defined as the extent to which an employee is receptive to organisational dialogue, openness is manifested through management support, organisational socialisation, employee attitudes towards their jobs and employee involvement. In contrast to the employee centered construct of openness, the ‘H’ factor or the ‘human’ factor, defined as the extent to which an employee perceives that the organisation treats them like a human being (e.g. with respect, is cooperative, communicates well, is
trustworthy, encourages working towards a common goal), reflects the relational considerations necessary for successful exchanges.

As the internal market represents an exchange process between the employee and employer, effective communication is considered a vital prerequisite for a well functioning organisation (Naude, Desai, & Murphy, 2003). Frequency of information exchange increases in an open environment, where people feel relaxed about ‘speaking up’ or providing feedback (Naude et al., 2003). Such exchange is considered vital for effective organisational decision-making (Foreman & Money, 1995; I. Lings & Greenley, 2005; Naude, Desai, & Murphy, 2003). In fact, Ballantyne (2000) argues that there is a forgotten truth that organisational knowledge is ultimately derived through interaction and dialogue. It is, therefore, imperative that the organisational climate is conducive to open dialogue and interaction and, as such, it is hypothesised that (refer Figure i):

H1: Openness has a significant positive effect on Information Generation

However, using information generated from the internal market to improve the dissemination of brand knowledge is only part of the process. Such dissemination of brand knowledge is considered to have minimal impact on good performance (Edvardsson, Larsson, & Setterlind, 1997) if the employees are lacking in motivation and enthusiasm. Employee motivation to perform in accordance with organisational desires is enhanced by the right work content, good relations between colleagues, relationships with immediate supervisors and customers (Edvardsson et al., 1997). As a result, it is hypothesised that (refer Figure i):

H2: Openness has a significant positive effect on Knowledge Dissemination

With respect to openness, management behaviour has significant influence. This is because in making judgments about the organisation, it is often the actions undertaken by agents of the organisation (i.e. management) that are often viewed by employees as representative of the organisation’s intent (Aselage & Eisenberger, 2003). Therefore, the elements that constitute a strong employer-employee relationship (e.g. Herington et al., 2005) are often considered to be derived from human qualities. Therefore, if
employees perceive that managers are not behaving as they should, there is less enthusiasm on behalf of the employees to improve their own performance in pursuit of organisational goals (Piercy, Harris, & Lane, 2002). Given that management participation and subsequent behaviour has an impact on the relationships between themselves and their employees, as conceptualised in the Leader-Member Exchange (LMX) theory (e.g. Wayne, Shore & Linden, 1997), it is hypothesised that (refer Figure i):

H3: The ‘H’ Factor has a significant positive effect on Openness

Recognition of the exchange process that underpins the employer-employee association is the premise for realising a long term, mutually beneficial, relationship. The significance of this is employee behaviour is commensurate to the perceived actions exhibited by the organisation (Wayne et al, 1997). Therefore, in a desire to engender long term, mutually beneficial employer-employee relationships, as realised through the exchange of information, it is imperative that employees perceive the organisational intentions to be driven from a desire to realise such mutual benefits. If mutual benefits are to be derived by the employee as well as the organisation, it is important that the organisation is perceived by employees as appreciating what the employee market considers to be beneficial or of value. As such it is hypothesised that (refer Figure i):

H4: The ‘H’ Factor has a significant positive effect on Information Generation

However, simply gathering insight from the employee market in isolation is insufficient to deliver employee benefits or fulfil the explicit internal promises of the organisation. While Ballantyne (2003) promotes internal knowledge generation as being a key element of internal relationship marketing, the motivation, in this context, is for the sole benefit of the organisation via the improvement of external organisational process, for example the creation of quality improvement teams. In contrast, the mutual benefits promoted in the relationship marketing literature require employee benefits to also be evident if the required employee actions are to be realised. This is attributed to the fact that employee perception of the organisation’s ability to provide desirable economic and socio-emotional benefits has a direct effect
on the effort extended by that employee with respect to the organisation (Wayne et al., 1997; Aselage & Eisenberger, 2003). Therefore, for productive employer-employee relationships to be realised, it is not only important that information is generated about the internal market, but such insight also needs to inform internal organisational actions, such as knowledge dissemination. That is, consistent with external marketing practices (e.g. research that uses customer insight to guide organisational decision making to realise customer satisfaction) internal market insights must also satisfy the same quest. Furthermore, if the organisation or management is perceived to be more relationship (or benevolently) oriented towards their employees, knowledge disseminated by the organisation, or change imposed on employees from the organisation, is more likely to be readily accepted by the employee market (Aselage & Eisenberger, 2003). As such, it is hypothesised that (refer Figure i):

H5: The ‘H’ Factor has a significant positive effect on Knowledge Dissemination

Ensuring that the design and implementation of various internal brand management initiatives is cognisant of employees wants and needs (Lings & Greenley, 2005), requires information be generated about the internal market. An understanding of employee capabilities (attitudes, know how and skills) (George, 1990) in delivering the brand promise, allows the organisation to formulate appropriate internal messages necessary for the effective implementation of the organisation’s strategy (Lings, 2004). The generation of internal market intelligence, consistent with the acquisition of external market intelligence, is to ensure that subsequent product development is done in accordance with the target market’s needs and wants. Therefore, according to Lings (2004), the first consideration for influencing employee behaviour is for management to gain a better understanding of employees’ needs and wants with respect to their roles and responsibilities. Such insight allows management the opportunity to increase the effectiveness of knowledge dissemination, as the communication should be aligned with employees’ needs and wants. It is from this perspective that it is hypothesised that (refer Figure i):

H6: Information Generation has a significant positive effect on Knowledge Dissemination
Brand Knowledge Effects

As a result of internal brand management, employees’ knowledge of the brand is enhanced. *Knowledge dissemination* helps employees understand the brand strategy and the rationale behind management decisions with respect to employees, customers and service delivery (Wasmer & Bruner, 1991, King & Grace, 2008) and, in turn, employees reduce their role conflict/ambiguity (Jones, Busch, & Dacin, 2003). This is significant given that an increase in role ambiguity affects performance detrimentally (Babin & Boles, 1996). When employees are provided with knowledge that is relevant for the successful execution of their role, the increased certainty of organisational expectations of them, in turn, increases the employee’s commitment to the organisation (Jones et al., 2003). More specifically, brand centered human resource activities and brand communication, which are classified in the context of this study as elements of *knowledge dissemination*, are important levers of brand commitment (Burmann & Zeplin, 2005). In seeking a higher order level of ‘buy in’ from the employee, employees who receive brand related information, in addition to task or job related information move from simply understanding their role to exhibiting a strong allegiance or commitment to the organisation (King & Grace, 2008). This being the case, brand knowledge, from an employee perspective is argued to consist of two dimensions that ultimately affect the way that employees respond to the brand, namely *role clarity* and *brand commitment*.

*Role clarity* is defined as the level of clarity an employee has of their role as a result of having brand knowledge. To ensure that all employees have the opportunity to engage with brand related information pertinent for delivering the brand promise, *knowledge dissemination* is considered to be significant in influencing employee behaviour. *Knowledge dissemination* helps employees understand the brand strategy and the rationale behind management decisions with respect to employees, customers and service delivery (Wasmer & Bruner, 1991). In doing so, organisations help employees to reduce their role conflict/ambiguity (Siguaw et al., 1994; Jones et al., 2003). *Knowledge dissemination* can provide employees with information regarding appropriate actions in a given situation or can communicate management expectations. As a result, increased role clarity can be realised. This is significant
given that an increase role ambiguity affects performance detrimentally (Babin & Boles, 1996).

However, to ensure that employees are not only able, but also have a genuine desire to deliver the brand promise, the level of employee brand commitment becomes an important indicator of employee brand knowledge effects also. When employees are provided with knowledge that is relevant for the successful execution of their role, the increased certainty of organisational expectations of them, in turn, increases the employee’s commitment to the organisation (Jones, Busch, & Dacin, 2003; Siguaw, Brown, & Widing II, 1994). More specifically, brand centred human resource activities and brand communication, which are classified in the context of this study as elements of knowledge dissemination, are important levers of brand commitment (Burmann & Zeplin, 2005). While there are three perspectives of organisational commitment, namely affective, continuance and normative, the former is the dimension promoted in this study. Such a distinction is based on the premise that affective commitment is considered to be the most important determinant of employee loyalty behaviours (Bloemer and Odekerken-Schröder, 2006). Brand commitment, therefore, is defined as the psychological attachment or the feeling of belonging an employee has towards an organisation.

In summary, the dissemination of brand related information that is integral to successful employee performance is considered to be important in increasing an employee’s role clarity and identification with organisational values and, thus, it is hypothesised that (refer Figure i):

H7: Knowledge Dissemination has a significant positive effect on Role Clarity
H8: Knowledge Dissemination has a significant positive effect on Brand Commitment

**Internal Brand Management Benefits**

The strongest affirmation of a connection between the brand and the intended recipient is the recipient’s active engagement (Keller, 2001) in the brand experience. It is from this perspective that the exhibition of brand citizenship behaviour (BCB) by employees is considered an organisational benefit that can be derived from internal
brand management. A precursor to positive employee behavioural intentions and subsequent behaviour is satisfaction (Loveman, 1998). As such, employee satisfaction is also considered to be an important dimension of EBBE benefits. Furthermore, employee satisfaction is linked to retention of employees (Boselie & van der Wiele, 2002) and positive word of mouth communication (Shinnar, Young, & Meana, 2004). EBBE benefits, therefore, is defined as employee exhibition of brand consistent intentions and actions, incorporates brand citizenship behaviour, employee satisfaction, employee intention to stay and positive employee word of mouth.

The desire to build EBBE is embedded in the view that such internal brand management efforts derive benefit to the organisation, which, ultimately, contribute to the organisation's overall effectiveness and success. In consideration of the role clarity literature, there is significant support for the relationship between an employee understanding the requirements of their role as represented by role clarity, and employee satisfaction (e.g. Boselie and van der Wiele, 2002). The literature also promotes the fact that satisfied employees are considered to be less inclined to leave an organisation or change employer (Ramlall, 2004). With this in mind, it is not surprising to also find that employees that have a positive disposition towards their employer may also be more likely to engage in positive word of mouth communication with friends, family and colleagues (Miles & Mangold, 2004). Furthermore, given the fact that multiple aspects within a service environment are sometimes abstract in nature and, therefore, difficult to direct with respect to desired employee behaviour (Castro, Armario, & Sanchez del Rio, 2005), it is ‘extra role’ behaviour or behaviour that goes beyond that which is formally prescribed that organisation covets. Therefore, employees having access to, and subsequent understanding of, brand related resources ensure they can deliver the desired brand experience (Burmann & Zeplin, 2005). It is, therefore, evident that role clarity is the precursor to several organisational benefits. As a result, it is hypothesised that (refer Figure i):

H9: Role Clarity has a significant positive effect on EBBE Benefits

With respect to brand commitment, Castro et al. (2005) believes that such commitment makes employees want to remain with the organisation and, in turn,
willing to make considerable effort on behalf of that organisation. As such, job satisfaction and organisational commitment are commonly found to be related outcomes with respect to employees (Jones et al., 2003). More specifically though, there is evidence to suggest that there is a significant negative relationship between commitment and intention to leave (Morgan & Hunt, 1994) and a significant positive relationship between commitment and several employee loyalty behaviours namely, positive word of mouth, intention to stay (Bloemer and Odekerken-Schröder, 2006) and BCB (Burmann and Zeplin, 2005). In particular, according to Castro et al. (2005), one of the most notable consequences of commitment is how employees perform in the work force. Therefore, it is hypothesised that (refer Figure i):

**H10: Brand Commitment has a significant positive effect on EBBE Benefits**

The EBBE model (shown in Figure 1) represents a graphic summary of the preceding discussion. It is important that the EBBE model not only provides measurable outcomes of internal brand management but also is prescriptive in how such outcomes are realised or influenced. As such, further to identifying the focal constructs of the model, Figure 1 depicts the proposed relationships between the constructs, providing a pictorial representation of the hypotheses that guide this study.

**METHOD**

The research methodology adopted for this study was based on the development of a survey questionnaire that enabled the assessment of employees’ perceptions, attitudes and behaviour with respect to the application of internal brand management practices. The development of the survey followed a sequential four-stage process. Initially, having conducted a thorough literature review, an exploratory research phase (which involved conducting 10 in-depth interviews with service employees) was undertaken to solidify the conceptual framework. Generally, all constructs identified in the literature as being pertinent to the EBBE Model were by the interviewees and, in particular, the effects of brand knowledge being identified in the literature as comprising of two themes, namely *role clarity* and *brand commitment*, were validated. Following the interviews, items were generated from both the literature and developed by the researcher (refer to Appendix A). For example, some survey items
came from sections of existing scales taken from the literature, while others were
generated by the researcher in response to the results of the interviews. Having
generated the initial item pool, eight academics, experienced in services marketing
and consumer behaviour research, with a particular emphasis on experience in survey
development, were used as an expert panel to assist with content validity with respect
to the final survey design (DeVellis, 2003). Having reduced the initial item pool by 33
items, stage three of the survey development process involved pilot testing of the draft
survey. With due consideration being given to scale and response formatting as well
as survey design, pilot testing ensured that every effort was made to develop a
psychometrically sound survey instrument. Given that focus groups are useful in
generating information pertinent to structuring questionnaires (Churchill & Iacobucci,
2002) the final stage of survey development incorporated the use of focus groups to
gain insight into the efficiency of the survey from the respondents’ perspective. For
example, a convenience sample of ten service employees comprised two focus groups
who were asked about the layout of the instrument and the clarity of instructions, as
well as observations were made with respect to respondent ability to complete the
survey in an efficient and timely manner. The final survey items appear in Appendix
B.

The administration of the survey was conducted via an online self-completed
approach. Data collection was conducted through the employment of a web based
market research list. After segmenting the list to identify only those individuals that
worked in a service-based industry, emails were sent to a selection of potential
respondents, inviting them to participate in the online survey. Analysis of the data was
conducted through correlation analysis, exploratory factor analysis, reliability analysis
and structural equation modelling.

As a result of purposive sampling, 371 respondents formed the basis of this study’s
empirical analysis. Females represented the majority of the sample, or 76.5%, with
male respondents reflecting 23.5%. With respect to the age of the respondents, there
was a spread of age group representation. The 18 – 25 age group was only marginally
the largest representation with 18.5% of the sample, while the 46 – 50 age bracket
represented the smallest proportion at 10.1%. The sample was weighted towards the
lower to middle annual income level with 76% of the sample earning less than $45
In relation to job classification, the majority of the sample was in full time employment (50.8%) with casual and part time employment representing 20.5% and 28.7% respectively. There was almost consistent representation between respondents that held entry-level positions (46.2%) and middle level management positions (42.1%), with only 11.7% of respondents holding senior management positions.

RESULTS

Preliminary Analysis and Data Reduction

The preliminary evaluation of the data incorporated correlation analysis, exploratory factor analysis (EFA) and reliability analysis. Factors with Eigenvalues greater than one were identified, with continuing item inclusion being premised by the exhibition of factor loadings greater than .50. Factor loadings less than .50 are deemed not to be significant (Hair, Anderson, Tatham, & Black, 1998), hence their exclusion from further analysis. Furthermore, all items were assessed to ensure items with cross loadings above .40 were deleted (O'Cass, 2002).

This study was only administered once to a group of individuals and, therefore, adoption of an internal consistency approach to reliability was appropriate. Measuring the degree to which individual items provide similar and consistent results, internal consistency is typically associated with Cronbach’s coefficient alpha (Lee & Hooley, 2005). Overall, the exploratory factor analysis was successful in validating each construct’s dimensionality, with the majority of items being one-factor structures with high factor loadings. Limited modification (i.e. only three items were deleted from further analysis) was required and all constructs had high reliabilities with Cronbach’s alpha ranging from .89 to .96. All items used in the analysis, along with the relevant factors loadings and reliability appears in Table i.

Table i Preliminary Analysis

<table>
<thead>
<tr>
<th>Variable</th>
<th>EFA Loadings</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>V1</td>
<td>Data used to improve jobs &amp; develop strategy</td>
<td>.81</td>
</tr>
<tr>
<td>V2</td>
<td>Management meet with employees</td>
<td>88</td>
</tr>
<tr>
<td>V3</td>
<td>Regular staff appraisals are conducted</td>
<td>86</td>
</tr>
<tr>
<td>V4</td>
<td>Management interact with employees</td>
<td>91</td>
</tr>
<tr>
<td>V5</td>
<td>Employee research is conducted</td>
<td>91</td>
</tr>
<tr>
<td>V6</td>
<td>Management finds out what employees want</td>
<td>92</td>
</tr>
<tr>
<td>V7</td>
<td>Information gathered from employee feedback</td>
<td>91</td>
</tr>
</tbody>
</table>

**Knowledge Dissemination**

| V8 | Communication of brand promise done well | 78 |
| V9 | Skill and knowledge development is ongoing | 85 |
| V10 | Teaching why & how things should be done | 87 |
| V11 | Communication of role in delivering brand promise | 80 |
| V12 | Management reports on work issues regularly | 86 |
| V13 | Management reports organisational issues regularly | 77 |
| V14 | Employment information helped in understanding role | 84 |

**Role Clarity**

| V15 | Know how to behave | 83 |
| V16 | Know how to handle unusual problems | 82 |
| V17 | Know what output is expected | 85 |
| V18 | Know what is expected to be achieved | 83 |
| V19 | Brand information improved understanding of job | 90 |
| V20 | Understand what’s expected because of brand info | 94 |
| V21 | Know how to make decisions because of brand info | 91 |

**Brand Commitment**

| V23 | Proud to be a part | 89 |
| V24 | Care about fate | 88 |
| V25 | Similar values | 85 |
| V26 | Put in extra effort | 86 |
| V27 | Fit in | 78 |

**Brand Citizenship Behaviour**

| V28 | Take responsibility for task outside of own area | 80 |
| V29 | Demonstrate brand consistent behaviours | 79 |
| V30 | Consider impact on brand before acting | 81 |
| V31 | Show extra initiative to maintain brand behaviour | 81 |
| V32 | Regularly recommend brand | 79 |
| V33 | Pass on brand knowledge to new employees | 77 |
| V34 | Interested to learn more about brand | 84 |

**Employee Satisfaction**

| V35 | Reasonably satisfied | 90 |
| V36 | A great sense of satisfaction | 94 |
| V37 | Satisfied with overall job | 94 |
| V38 | Wouldn’t consider leaving job | 74 |
| V39 | Do not enjoy job | 83 |

**Employee Intention to Stay**

| V40 | Plan to be here for a while | 92 |
| V41 | Plan to be here in 5 years | 92 |
| V42 | Turn down another offer | 81 |
| V43 | Plan to stay | 95 |

**Positive Employee Word of Mouth**

| V44 | Say positive things | 93 |
| V45 | Recommend to others | 93 |
| V46 | Enjoy talking about | 90 |
| V47 | Talk positively about | 94 |

**Management Support**

| V48 | Organisation values contribution | 86 |
| V49 | Organisation strongly considers goals and values | 89 |
| V50 | Organisation provides help | 88 |
| V51 | Organisation tries to make job interesting | 93 |
| V52 | Manager willing to help me perform the best I can | 91 |
| V53 | Manager understands my problems | 91 |
| V54 | Organisation acknowledges effort | 88 |

**Organisational Socialisation**

| V55 | Organisation provided excellent training | 86 |
| V56 | Training has enabled me to do job well | 87 |
| V57 | Co-workers usually offer assistance | 74 |
| V58 | Organisational goals are clear | 81 |
| V59 | Manager instructions are valuable in doing better work | 85 |
Validity: Given that the basis for convergent validity is the correlation of items that are theoretically linked (Lewis, Templeton, & Byrd, 2005), assessment of convergent validity via item correlations was determined to be the most appropriate. As such, each construct was subject to bivariate correlation analysis. At a .001 confidence level, all items pertaining to each construct ranged from .37 to .92. Therefore, from an exploratory analysis perspective, convergent validity was established given that, according to Churchill and Iacobucci (2002), highly correlated measures of the same construct provides evidence of their convergent validity.

Composite measures for the 13 constructs were computed, resulting in means ranging from 3.81 to 5.86 and standard deviations ranging from 1.10 to 1.89 (refer Table ii). As a result, discriminant validity could also be assessed. Evidence of discriminant validity suggests that constructs correlations with other constructs that are theoretically unrelated should be negligible (Madrigal & Miller, 1996). O’Cass (2002) suggests discriminant validity is realised when the correlation between two constructs is not higher than their respective reliabilities estimates or coefficient alpha. Therefore, construct correlations were reviewed in relation to individual construct reliabilities that were conducted via Cronbach’s alpha in the preliminary data analysis. Such an investigation revealed correlations ranging from .40 to .90 with reliabilities

| V60 | Co-workers assistance in adjusting | .74 |
| V61 | Work environment helps in understanding how to act | .81 |
|     | **Employee Attitude Towards their Job** |     |
| V62 | Job is interesting | .91 |
| V63 | Make important contribution | .78 |
| V66 | Enjoy doing the job | .91 |
| V67 | Ideal job | .84 |
| V68 | Positive towards job | .91 |
| V69 | Comment on customer initiatives | .84 |
| V70 | Participate in development of customer initiative | .90 |
| V71 | Involved in organisational initiatives | .90 |
| V72 | Provide feedback about organisational activities | .92 |
| V73 | Discuss work issues with management | .81 |
| V74 | Employee contribution welcomed | .86 |
|     | **Employee Involvement** |     |
| V75 | Cooperation exists between management & employees | .91 |
| V76 | Excellent communication exists | .92 |
| V77 | Collective focus on clear set of goals and values | .86 |
| V78 | Respected and valued member | .88 |
| V79 | Trust management | .91 |
| V80 | Organisation trusts me | .64 |
| V81 | Organisation is considerate of me | .92 |
| V82 | Organisation is considerate of my role | .91 |
| V83 | Organisation treats me like a human being | .91 |

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ranging from .88 to .96. As there was no evidence of any construct correlations being higher than individual construct reliabilities, discriminant validity was verified.

Table ii Composite Variables

<table>
<thead>
<tr>
<th>Composite Measures</th>
<th>N</th>
<th>Statistic</th>
<th>Mean Statistic</th>
<th>Std. Statistic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information Generation</td>
<td>371</td>
<td>3.81</td>
<td>1.89</td>
<td></td>
</tr>
<tr>
<td>Knowledge Dissemination</td>
<td>371</td>
<td>4.64</td>
<td>1.65</td>
<td></td>
</tr>
<tr>
<td>Role Clarity</td>
<td>371</td>
<td>5.80</td>
<td>1.10</td>
<td></td>
</tr>
<tr>
<td>Brand Commitment</td>
<td>371</td>
<td>5.38</td>
<td>1.53</td>
<td></td>
</tr>
<tr>
<td>Brand Citizenship Behaviour</td>
<td>371</td>
<td>5.86</td>
<td>1.12</td>
<td></td>
</tr>
<tr>
<td>Employee Satisfaction</td>
<td>371</td>
<td>4.45</td>
<td>1.14</td>
<td></td>
</tr>
<tr>
<td>Employee Intention to Stay</td>
<td>371</td>
<td>4.25</td>
<td>1.81</td>
<td></td>
</tr>
<tr>
<td>Positive Employee Word of Mouth</td>
<td>371</td>
<td>5.17</td>
<td>1.64</td>
<td></td>
</tr>
<tr>
<td>Management Support</td>
<td>371</td>
<td>4.65</td>
<td>1.82</td>
<td></td>
</tr>
<tr>
<td>Organisational Socialisation</td>
<td>371</td>
<td>5.02</td>
<td>1.51</td>
<td></td>
</tr>
<tr>
<td>Attitude Towards their Job</td>
<td>371</td>
<td>4.88</td>
<td>1.63</td>
<td></td>
</tr>
<tr>
<td>Employee Involvement</td>
<td>371</td>
<td>4.39</td>
<td>1.83</td>
<td></td>
</tr>
<tr>
<td>The ‘H’ Factor</td>
<td>371</td>
<td>4.78</td>
<td>1.77</td>
<td></td>
</tr>
</tbody>
</table>

Analysis – Hypotheses Testing:

Having satisfied the prerequisite analysis promoted by Fornell and Larcker (1981) as being necessary prior to progression to the testing of the structural model, the ensuing analysis employs Partial Least Squares (PLS) to test the proposed model and provide the results of the hypotheses proposed in this study. Partial Least Squares (PLS) was considered to offer increased analytical flexibility with respect to this study in comparison to other alternatives for two reasons. Firstly, the preliminary analysis identified several variables that were outside the normal ± 2 range for skewness and kurtosis thus indicating a level of non-normality of data. Secondly, the openness construct was considered to be multidimensional, represented by formative indicators of management support, organisational socialisation, employee attitude towards their job and employee involvement. Furthermore, PLS analysis is not confined to an underlying theoretical model to explain the effectiveness of the hypothesis. Rather it considers latent variables as an aggregate of their indicators in a predictive sense, whereby the hypothesised relationships are determined to be true partly by the strength of the path relationships between latent variables coupled with the loadings for latent variable indicators (Chin, 1998). Therefore, while LISREL is considered to be the best known causal modelling technique (Hulland, 1999), its inability to deal
with the potential for small sample sizes (Hulland, 1999), non normal data and formative indicators (Chin, 1998) contributed to the selection of PLS as the most effective tool to evaluate the theoretical model proposed. In particular, through the application of the components-based approach of PLS, both reflective and formative indicators can be accounted for (Chin, 1998). PLS analysis results in a two-model output, namely the outer or measurement model and the inner or structural model (Tenenhaus, Vinzi, Chatelin, & Lauro, 2005)

Outer Model: As a formative model was used to measure openness and a reflective model was used to measure EBBE benefits, the loadings (as shown in Table iii) are used to evaluate the relationships. With respect to openness, the highest loading variable was management support (.95) followed closely by organisational socialisation (.93). Employee attitude towards their job (.74) loaded the lowest of the four variables, with employee involvement (.86) representing the third highest loading variable. In terms of EBBE benefits, again all the loadings were high with positive employee word of mouth (.91) loading the highest, followed by employee intention to stay (.88) with both employee satisfaction and brand citizenship behaviour loading the same (.83). Consistent with the high loadings, all variables were considered to be significant as indicated by their critical ratios being above the acceptable level (greater than 1.96, p<0.05) (O'Cass & Julian, 2003). As such, it can be concluded that the identified constructs for both openness and EBBE benefits can be considered significant contributors.

Table iii Outer Model Results

<table>
<thead>
<tr>
<th>Components and Manifest Variables</th>
<th>Loading</th>
<th>Critical Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Openness</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management Support</td>
<td>.95</td>
<td>83.70</td>
</tr>
<tr>
<td>Organisational Socialisation</td>
<td>.93</td>
<td>69.43</td>
</tr>
<tr>
<td>Employee Attitude Towards their Job</td>
<td>.74</td>
<td>19.24</td>
</tr>
<tr>
<td>Employee Involvement</td>
<td>.86</td>
<td>39.22</td>
</tr>
<tr>
<td><strong>AVE</strong></td>
<td><strong>.76</strong></td>
<td></td>
</tr>
<tr>
<td>EBBE Benefits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand Citizenship Behaviour</td>
<td>.83</td>
<td>89.03</td>
</tr>
<tr>
<td>Employee Satisfaction</td>
<td>.88</td>
<td>38.03</td>
</tr>
<tr>
<td>Employee Intention to Stay</td>
<td>.83</td>
<td>69.45</td>
</tr>
<tr>
<td>Positive Employee word of mouth</td>
<td>.91</td>
<td>42.70</td>
</tr>
<tr>
<td><strong>AVE</strong></td>
<td><strong>.75</strong></td>
<td></td>
</tr>
</tbody>
</table>

* Bootstrapping estimates calculated based on Chin (1998b)
* Average Variance Extracted
Table iv refers to H1 through to H10, depicting the path coefficients between the exogenous and endogenous variables, average variance accounted for (AVA), \( R^2 \) and critical ratios. The AVA for the endogenous variables was .65 and the individual \( R^2 \) were greater than the recommended .10 (Falk & Miller, 1992) for all predicted variables. As all of the \( R^2 \) were larger than the recommended level, it was appropriate to examine the significance of the paths associated with these latent variables. Falk and Miller (1992) promote such significance testing to be realised through the calculation of the path coefficient multiplied by the relevant correlation coefficient. The outcome of this calculation is the production of an index of the variance in an endogenous variable that is explained by that particular path, with .015 being the recommended cut off point. Upon consideration of Table iv, it was apparent that all paths, with the exception of one (the ‘H’ factor/information generation path) exceeded this criterion and the bootstrap critical ratios were of the appropriate size (>.1.96). Therefore, with the exception of one, all paths were significant and exhibited positive relationships. With respect to the ‘H’ factor/information generation path, the variance due to that path was the same as the recommended cut off point of .015 and the critical ratio was not of an appropriate size. Therefore, this path was not considered to be significant.

Table iv Partial Least Squares Results for the Proposed Model

<table>
<thead>
<tr>
<th>Equation</th>
<th>Predicted variables</th>
<th>Predictor variables</th>
<th>Hypothesis</th>
<th>Path</th>
<th>Variance due to path</th>
<th>( R^2 )</th>
<th>Critical Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Openness</td>
<td>The ‘H’ Factor</td>
<td>H3</td>
<td>.93</td>
<td>.87</td>
<td>.87</td>
<td>138.32</td>
</tr>
<tr>
<td>2</td>
<td>Information Generation</td>
<td>Openness</td>
<td>H1</td>
<td>.78</td>
<td>.58</td>
<td>.55</td>
<td>7.78</td>
</tr>
<tr>
<td>3</td>
<td>Knowledge Dissemination</td>
<td>Information Generation</td>
<td>H6</td>
<td>.52</td>
<td>.44</td>
<td>.82</td>
<td>13.40</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Openness</td>
<td>H2</td>
<td>.30</td>
<td>.25</td>
<td></td>
<td>3.87</td>
</tr>
<tr>
<td></td>
<td></td>
<td>The ‘H’ Factor</td>
<td>H5</td>
<td>.16</td>
<td>.13</td>
<td></td>
<td>2.08</td>
</tr>
<tr>
<td>4</td>
<td>Role Clarity</td>
<td>Knowledge Dissemination</td>
<td>H7</td>
<td>.69</td>
<td>.48</td>
<td>.48</td>
<td>21.71</td>
</tr>
<tr>
<td>5</td>
<td>Brand Commitment</td>
<td>Knowledge Dissemination</td>
<td>H8</td>
<td>.65</td>
<td>.42</td>
<td>.42</td>
<td>18.68</td>
</tr>
<tr>
<td>6</td>
<td>EBBE Benefits</td>
<td>Role Clarity</td>
<td>H9</td>
<td>.20</td>
<td>.13</td>
<td>.78</td>
<td>6.23</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Brand Commitment</td>
<td>H10</td>
<td>.74</td>
<td>.64</td>
<td></td>
<td>27.54</td>
</tr>
</tbody>
</table>

AVA\(^c\) .65

These are only interpreted if the \( R^2 \) is greater than 0.10.

\(^b\) Bootstrap estimate divided by bootstrap standard error.

\(^c\) Average Variance Accounted for.

The data showed that 87% of the variance in openness was explained by the ‘H’ factor, while openness and the ‘H’ factor explained 55% of the variance in
Collectively, openness, the ‘H’ factor and information generation explained 82% of the variance in knowledge dissemination, with knowledge dissemination explaining 48% of the variance in role clarity and 42% of the variance in brand commitment. Finally, role clarity and brand commitment combine to explain 78% of the variance in EBBE benefits. The results therefore, support all the hypotheses proposed by the inner model (H1 – H10) with the exception of H4 and the results of the hypotheses are summarized in Table v.

**Table v. Hypotheses Results**

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Description</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1: Openness has a significant positive effect on Information Generation</td>
<td>Supported</td>
<td></td>
</tr>
<tr>
<td>H2: Openness has a significant positive effect on Knowledge Dissemination</td>
<td>Supported</td>
<td></td>
</tr>
<tr>
<td>H3: The ‘H’ Factor has a significant positive effect on Openness</td>
<td>Supported</td>
<td></td>
</tr>
<tr>
<td>H4: The ‘H’ Factor has a significant positive effect on Information Generation</td>
<td>Rejected</td>
<td></td>
</tr>
<tr>
<td>H5: The ‘H’ Factor has a significant positive effect on Knowledge Dissemination</td>
<td>Supported</td>
<td></td>
</tr>
<tr>
<td>H6: Information Generation has a significant positive effect on Knowledge Dissemination</td>
<td>Supported</td>
<td></td>
</tr>
<tr>
<td>H7: Knowledge Dissemination has a significant positive effect on Role Clarity</td>
<td>Supported</td>
<td></td>
</tr>
<tr>
<td>H8: Knowledge Dissemination has a significant positive effect on Brand Commitment</td>
<td>Supported</td>
<td></td>
</tr>
<tr>
<td>H9: Role Clarity has a significant positive effect on EBBE Benefits</td>
<td>Supported</td>
<td></td>
</tr>
<tr>
<td>H10: Brand Commitment has a significant positive effect on EBBE Benefits</td>
<td>Supported</td>
<td></td>
</tr>
</tbody>
</table>

**DISCUSSION**

The findings provide empirical validation for the EBBE model. In particular, the results showed that the receptivity of employees to partake in organisational dialogue (openness) influences the extent to which employees perceive their organisation generates information from the internal market, as well as disseminates important brand related information to the employees. Furthermore, the extent to which employees perceive their organisation treats them with respect, is cooperative, communicates well and encourages working towards a common goal (the ‘H’ factor), was demonstrated to have a significant effect on employee receptivity (openness). Such a relational approach was also demonstrated to have a positive influence on
employee perception of organisational actions focused on the internal distribution of brand related information (*knowledge dissemination*).

The only internal brand management construct that the ‘H’ factor did not have a significant effect on was the extent to which employee perceives feedback is generated (*information generation*). Prior to this study, there was limited research exploring employee, as opposed to management, perceptions. This paucity in the literature provides insight into this null hypothesis. While the literature provides strong empirical evidence to support the association between generating marketing intelligence and mutually beneficial organisational exchanges (e.g. Lings and Greenley, 2005), such a finding is from a management perspective. In conducting this study from the employee perspective, while organisations may collect information from the target market in a desire to enhance relationships and realise beneficial exchanges, the market (in this case, employee) does not perceive the same underlying motivation. This is attributed here, to employee perception being shaped often by a tainted track record of organisational inaction from previous employee surveys or the fear of possible negative repercussions from providing feedback (Rogelberg & Stanton, 2007). Given the significance of employee ‘buy in’ necessary to deliver the brand promise, organisations should pay heed to addressing such employee cynicism.

It was also proposed that generating employee related information (*information generation*) would influence employee perceptions with respect to the dissemination of relevant and meaningful brand messages to employees (*knowledge dissemination*). This relationship was supported in the findings. As a result of internal brand management activities, the proposed model articulated that employees would develop a level of appropriate brand knowledge that would effect their level of comprehension with respect to their role in delivering the brand promise (*role clarity*) as well as influence their sense of attachment to the organisation (*brand commitment*). The results also provide support for both of these relationships.

Finally, consistent with the intent of brand equity, that being a measure of brand management practices, the EBBE model proposed that employees who understood how to deliver the brand promise (*role clarity*) and held a form of allegiance to the organisation (*brand commitment*) would, through their attitudes and behaviour, derive
organisational benefits (*EBBE benefits*). Such benefits are manifested through positive employee intentions as measured by their level of satisfaction and willingness to remain with the organisation. Positive employee actions, as evidenced by ‘going beyond the call of duty’ and talking positively about the organisation to others, were also considered to be representative of *EBBE benefits*. Again, the results reported provided support for these relationships.

While many of the relationships hypothesised within the model were supported by the extant literature, the real insight of this study lies in the appreciation of how, collectively, these relationships perform. The literature that promotes such relationships is broad and diverse. While there is no denying they are important and meaningful, the relationships seemingly have been explored in either isolation/focused setting (e.g. O’Reilly and Chatman’s (1986) organisational commitment research) or within a framework of relationships that is not directly related to internal brand management (e.g. Jaworski and Kohli’s (1993) conceptualization of market orientation). Therefore, if internal brand management practices are to be enhanced and if theory is to be further extended, then it was considered appropriate for this study to integrate these relationships into one model. Such a comprehensive approach was considered to be essential for organisations to realise the full potential of EBBE. Therefore, the conceptualisation of the EBBE model provided for a nomological network of internal brand management construct relationships. More significant though, the findings provide empirical support for such a robust conceptualization. The strength of the performance of the overall model is evidenced in the strong $R^2$ (i.e. .65) that, collectively, the seven focal constructs contribute to. In other words, the relationships that have been identified and subsequently modelled in this study, as reflected in Figure 1, account for 65% of the variance in EBBE.

**IMPLICATIONS**

**Theoretical**

While satisfactorily explored from both a consumer perspective (e.g. Keller, 1998) and a financial perspective (e.g. Kim et al., 2003), the brand equity literature has not kept pace with the paradigm shift in brand management practices. 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 realised through brand equity (Atilgan et al., 2005). Secondly, there is an increased demand for management accountability (Srinivasan, Park, & Chang, 2005). The ability to measure brand equity from an employee perspective enables such accountability for managers responsible for internal brand management. In doing so, it provides another means by which to model brand equity, thereby expanding on existing theory. Furthermore, in comparison to existing brand equity models (e.g. Aaker, 1991; Berry, 2000), and in line with Keller’s (1998) CBBE model, the EBBE model is more prescriptive, accounting for the detailed relationships between the constructs.

In addition, the EBBE model has extended Keller’s (1998) cognitive psychology approach to brand equity, beyond connectionism thinking. The EBBE model has adopted a more context-based cognitive psychology paradigm, whereby the consideration of the cognitive processes is enabled in a more ‘real world’ approach to how people process information. In accounting for the two constructs that are believed to facilitate/influence the meaning employees ascribe to brand information, namely openness and the ‘H’ factor, the EBBE model has expanded on existing theory as it relates to the application of cognitive psychology in the context of the brand equity literature.

Finally, to empirically test the EBBE model, it was considered important to canvas the opinions of employees. This was attributed to the fact that the premise for the application of internal brand management is the alignment and motivation of employees to enable employee exhibition of brand related behaviours. From this perspective, it seems logical that to gauge the effectiveness, or otherwise, of such activities that an employee perspective must be sought. However, investigation of employee perceptions as to the impact of internal brand management practices has been limited in the literature. An important contribution of this study therefore is, through the empirical assessment of employee perceptions, the intended recipients (i.e. employees) of internal brand management are given a voice. In doing so, a
The validation of the EBBE model allows management to really appreciate what is involved in influencing an employee to behave in a certain way. In particular, the significant influence that openness and the 'H' factor has on the performance of the overall model suggests that management, if they are serious about realising the benefits of brand equity from an employee perspective, must take proactive steps to develop a culture that appreciates and supports internal relationships. Further support for the importance of affective practices in the workforce is evident in the strength that brand commitment has in predicting EBBE benefits. While role clarity influences employee performance, it is the employees’ psychological attachment, sense of belonging or synergistic organisational values that clearly dominates their subsequent intentions and actions. Again, the emphasis here is on the emotional, as opposed to the cognitive, aspects of the organisation. Therefore, marketers need to place greater emphasis on the importance of affective internal brand management practices (e.g. openness, the ‘H’ factor, brand commitment) in facilitating cognitive internal brand management practices (e.g. information generation, knowledge dissemination, role clarity). In doing so, the EBBE model emphasises the importance of adopting a multi disciplined (i.e. marketing and management) approach to managing an essential organisational asset in order to realise marketing strategies.

The development of the EBBE model also validated the effects of internal brand management actions (role clarity and brand commitment). As a result of the sequential, building block process to model development, organisational benefits (EBBE benefits) attributed to internal brand management practices are also identified. The significance of being able to measure one’s actions, particularly when it involves a substantial organisational commitment with respect to time, money and personnel resources, is the increasing emphasis on senior management accountability (Srinivasan et al., 2005). Furthermore, according to Shah et al. (2006, p.120), the reality is “what gets measured gets done”. Too often in lean times, organisations with good intentions lose their confidence in internal initiatives, choosing to allocate their contribution to enhanced brand management practices and subsequent organisational benefits are realised.

Practical

The validation of the EBBE model allows management to really appreciate what is involved in influencing an employee to behave in a certain way. In particular, the significant influence that openness and the ‘H’ factor has on the performance of the overall model suggests that management, if they are serious about realising the benefits of brand equity from an employee perspective, must take proactive steps to develop a culture that appreciates and supports internal relationships. Further support for the importance of affective practices in the workforce is evident in the strength that brand commitment has in predicting EBBE benefits. While role clarity influences employee performance, it is the employees’ psychological attachment, sense of belonging or synergistic organisational values that clearly dominates their subsequent intentions and actions. Again, the emphasis here is on the emotional, as opposed to the cognitive, aspects of the organisation. Therefore, marketers need to place greater emphasis on the importance of affective internal brand management practices (e.g. openness, the ‘H’ factor, brand commitment) in facilitating cognitive internal brand management practices (e.g. information generation, knowledge dissemination, role clarity). In doing so, the EBBE model emphasises the importance of adopting a multi disciplined (i.e. marketing and management) approach to managing an essential organisational asset in order to realise marketing strategies.

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limited resources to where they can be easily accounted for and measured. In such instances the focus is on short term, tactical or more traditional initiatives such as sales promotions. Irrespective of the evidence provided in the literature, or even management’s perception as to the power of effective internal brand management, it seems nothing can compete with hard, measurable facts when a choice is to be made about resource allocation.

From this perspective, the EBBE model is considered to be a long awaited resource for those marketing managers who appear to be continually challenged from senior management to provide justification for internal brand management. Through the identification of measurable brand knowledge effects (role clarity and brand commitment) which have been empirically linked to the realisation of measurable organisational benefits (EBBE benefits), management can now provide justification for internal brand management based on hard, measurable facts. Finally, given the importance of management in the performance of the overall EBBE model, the articulation of EBBE measures also provides an avenue for the development of key performance indicators for key personnel, thereby truly embedding the importance of internal brand management into the organisation.

From the previous discussion, several practical management implications come to the fore, namely,

- For managers to adopt effective internal brand management practices, training and development with respect to brand knowledge and managing emotional intelligence is necessary
- To ensure the organisation’s culture supports positive internal relationships to realise brand centred goals, management key performance indicators should incorporate measures with respect to internal brand management e.g. employee based brand equity, evidence of management responsibilities reflecting brand essence, evidence of recognition and reward of employees exhibiting brand consistent behaviours
- Management should be mindful that simply providing employees with information is often insufficient to realise positive employee behaviour and attitudes. The provision of information should be supported by positive and
consistent brand related actions by management as well as the organisation’s culture

- Conducting regular evaluation of employee perceptions with respect to internal brand management practices to inform subsequent activities or to modify management skills and behaviour

In recognition that the outcome of measuring EBBE will be affected by such contextual conditions as organisational culture, more prescriptive and detailed internal brand management practices require specific organisational insight to inform such initiatives. For example, some organisations may be very technically competent at providing brand related information to their employees but require more emphasis on developing emotional intelligence, whereas other organisations may be ‘in tune’ with their employees but are not actively measuring their performance with respect to internal brand management practices.

**LIMITATIONS AND FUTURE RESEARCH**

Given the plethora of data collection options available to the researcher, it is not surprising to identify limitations with respect to the chosen medium for collecting the data relevant to this study. For example, the employment of surveys can present data collection problems stemming from such things as lack of willingness to participate on behalf of the respondent, loss of validity when using structured questionnaires and inherent challenges of wording questions properly. However, in acknowledging these limitations, actions, such as the utilisation of a national database of ‘opt in’ survey participants coupled with the good reliability results and the methodical four-stage survey design process undertaken, it is suggested that every effort was made to negate this limitation.

Limitations of using online surveys such as unrepresentative population, limited coverage and emails being sent to the wrong addresses, was resolved through the utilisation of a national market research database. This database allowed for a diverse range of service employees to participate in the survey and, as a result, it is proposed that the findings of this study can be effectively generalized to a range of Australian service industries with confidence. Given that a purposive sampling technique was
employed for this study, another potential limitation is that of non-observation errors, in particular non-coverage and non-response bias (Churchill & Iacobucci, 2002). Being mindful of this, care was taken to select a large national database comprised of updated and current data.

As a result of the identification of the limitations of this study, insight is afforded into possible areas for future research. In particular, it is suggested that the EBBE model should be explored and compared across other industry sectors such as manufacturing. It is recommended that the study be replicated with employees that work in manufacturing industries so that a comparison between the two sectors can be made. Such a comparison may provide important insight into how internal brand management practices may, in fact, vary according to the level of employee involvement with respect to production elements that influence the brand. If one follows the same line of argument promoted by Vargo and Lusch (2004, p. 2), that a fundamental function of all businesses is the “application of specialized competencies (knowledge and skills) through deeds, processes and performance for the benefit of another entity or the entity itself”, then the replication of this study in a manufacturing context, would provide a means by which such assertions can be validated or otherwise.

Furthermore, given that a major strength of the EBBE model is its ability to identify and measure the benefits of internal brand management practices; development of an EBBE scale would afford greater application in both theory and in practice. Utilisation of the findings of this study, in particular the key constructs, as a platform upon which an EBBE scale can be developed, would result in a more pliable and refined instrument being created. As a result, from a theoretical perspective it would mean EBBE could be incorporated into a larger framework without placing increased burden on the length of a survey. Furthermore, from a practical application, the ability to be able to assess an organisation’s level of EBBE in a succinct manner would increase the application of such a measurement tool, which in turn, would lead to enhanced internal brand management practices.

Finally, the findings of this study are comprehensive in that they provide a robust model of employee perceptions with respect to EBBE. However, in order to further
comprehend effective internal brand management practices, the application of the EBBE model in an applied, case study style setting, would afford greater insight into how specific organisational actions and cultures influence the performance of the model. While the end state might be the same, how each organisation achieves such internal alignment may in fact be very different. By contextualizing the research, more detail as to how each brand builds EBBE is afforded. In turn, this insight, can lead to enhanced practices of other organisations that share similar brand values and cultures and, therefore, further expand the knowledge with respect to how to build, measure and manage EBBE.

CONCLUSION

Despite the promoted benefits, as well as the competitive necessity for the application of internal brand management, many organisations are still to adopt such practices (Burmann and Zeplin, 2005). This is believed here, to be attributed to the plethora of activities promoted in the literature as being initiatives that organisations can employ to influence employee behaviour. The options available seem endless and rather than navigate through each one in a time where there are competing pressures on resources (time, money and personnel) the decision often chosen by an organisation, is to take no action at all.

Further exacerbating this inaction is the inability to measure such an investment. With enhanced brand management practices only realisable through the ability to measure various brand management efforts, as manifested in brand equity, the adoption of internal brand practices is premised by the need to also measure such internal efforts. The current paucity in the literature with respect to internal brand equity or employee based brand equity (EBBE) is considered to not only be a significant oversight in the literature, but also an impediment for organisations to adopt an internal brand management strategy.

This study empirically tested a road map for managers to build, measure and manage EBBE. In doing so, it has consolidated all of the internal brand management literature to provide for a comprehensive framework or system. This system allows practitioners and academics a greater appreciation for internal brand management
being more than just communicating the brand internally. Rather it requires a comprehensive network of both cognitive and affective practices to be employed to realise the coveted benefits. Furthermore, as a result of this greater appreciation, measurable effects and benefits are realised. As such, this study has not only conceptualised brand equity from an employee perspective, but more importantly, it has provided empirical support for a third, yet equally relevant perspective of brand equity, namely *Employee Based Brand Equity.*
REFERENCES


## Appendix A (Initial Item Generation)

<table>
<thead>
<tr>
<th>Construct/ Dimension</th>
<th>Definition</th>
<th>Used Verbatim or Adapted from</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Information Generation</strong></td>
<td>The extent to which an employee perceives the organisation generates information via employee feedback (informal &amp; formal)</td>
<td>(Foreman &amp; Money, 1995) (Lings &amp; Greenley, 2005)</td>
</tr>
<tr>
<td><strong>Knowledge Dissemination</strong></td>
<td>The extent to which an employee perceives brand knowledge is transferred from the organisation, to the employee in a meaningful and relevant manner</td>
<td>(Foreman &amp; Money, 1995) (Conduit &amp; Mavondo, 2001) (Lings &amp; Greenley, 2005) Developed by the researcher (4 items)</td>
</tr>
<tr>
<td><strong>Role Clarity</strong></td>
<td>The level of clarity an employee has of their role as a result of having brand knowledge</td>
<td>(Singh &amp; Rhoads, 1991) (Kohli &amp; Jaworski, 1994) (Moorman, 1995)</td>
</tr>
<tr>
<td><strong>Brand Commitment</strong></td>
<td>The psychological attachment or the feeling of belonging an employee has towards an organisation</td>
<td>(Ganesan &amp; Weitz, 1996) (Malz &amp; Kohli, 1996)</td>
</tr>
<tr>
<td><strong>Brand Citizenship Behaviour</strong></td>
<td>Employee behaviour that is non-prescribed or ‘above and beyond the norm’, yet consistent with the brand values of the organisation</td>
<td>(Burmann &amp; Zeplin, 2005)</td>
</tr>
<tr>
<td><strong>Employee Satisfaction</strong></td>
<td>The level of satisfaction an employee receives from their job as a result of realising what they want and value from their work</td>
<td>(Netemeyer, Boles, McKee, &amp; McMurrian, 1997) (Hartline &amp; Ferrell, 1996) Developed by the researcher (4 items)</td>
</tr>
<tr>
<td><strong>Employee Intention to Stay</strong></td>
<td>The future intention of an employee to stay in their current place of employment</td>
<td>(Good, Page Jr, &amp; Young, 1996)</td>
</tr>
<tr>
<td><strong>Positive Employee WOM</strong></td>
<td>The extent to which an employee is willing to say positive things about the organisation and readily recommend the organisation to others</td>
<td>(Bloemer &amp; Odekerken – Schriër, 2006) Developed by the researcher (3 items)</td>
</tr>
<tr>
<td><strong>Management Support</strong></td>
<td>The extent to which an employee perceives that the organisation acknowledges and supports employee effort</td>
<td>(Kelley, Longfellow, &amp; Malehorn, 1996) (Wayne, Shore &amp; Linden, 1997)</td>
</tr>
<tr>
<td><strong>Organisation Socialisation</strong></td>
<td>The extent to which an employee perceives the organisational environment assists employees to learn and identify organisational values, beliefs and expectations</td>
<td>(Taormina, 1994)</td>
</tr>
<tr>
<td><strong>Employee Attitude Towards their Job</strong></td>
<td>The extent to which an employee has a positive attitude towards their job</td>
<td>(Naude, Desai, &amp; Murphy, 2003) (Netemeyer, Boles, McKee, &amp; McMurrian, 1997) Developed by the researcher (4 items)</td>
</tr>
<tr>
<td><strong>Employee Involvement</strong></td>
<td>The extent to which an employee perceives they have the opportunity to participate in organisational initiatives</td>
<td>(Conduit &amp; Mavondo, 2001) Developed by the researcher (1 item)</td>
</tr>
<tr>
<td><strong>The ‘H’ Factor</strong></td>
<td>The extent to which an employee perceives that the organisation treats them like a human being (e.g. with respect, is cooperative, communicates well, encourages working towards a common goal)</td>
<td>(Herington, 2003) Developed by the researcher (3 items)</td>
</tr>
</tbody>
</table>
Appendix B (Survey Items)

Information Generation
1. The organisation I work for uses data gathered from employees to improve their jobs and to develop strategy for the organisation.
2. In the organisation I work for, management meet with employees to find out what expectations they have of their job for the future.
3. In the organisation I work for we have staff appraisals/reviews in which we discuss what employees want.
4. In the organisation I work for, management interacts directly with employees to find out how to make them more satisfied.
5. In the organisation I work for, we do a lot of employee research.
6. When at work, my manager tries to find out what we, as employees, want from the organisation.
7. The organisation I work for gathers information from employee feedback.

Knowledge Dissemination
8. The organisation I work for communicates its brand promise well to its employees.
9. Skill and knowledge development of employees happens as an ongoing process in the organisation I work for.
10. The organisation I work for teaches us why we should do things and not just how we should do things.
11. The organisation I work for communicates the importance of my role in delivering the brand promise.
12. My manager regularly reports back to us about issues affecting our work environment.
13. My manager regularly meets with all of his/her employees to report about issues relating to the whole organisation.
14. The information provided to me when I was employed helped me to understand my role in the context of what the organisation is trying to achieve.

Role Clarity
15. I know how I should behave while I am on the job.
16. I know how I am expected to handle unusual problems and situations while on the job.
17. I know exactly what output is expected of me on the job.
18. I know what I am expected to achieve in my job.
19. Information about my organisation’s brand improved my basic understanding of my job.
20. I understand what is expected of me because I have information about my organisation’s brand.
21. I know how to make specific decisions for my job because I have information about my organisation’s brand.
22. I know how to deliver the brand promise for the organisation I work for.

**Brand Commitment**
23. I am proud to be a part of the organisation I work for.
24. I really care about the fate of the organisation I work for.
25. My values are similar to those of the organisation I work for.
26. I am willing to put in extra effort beyond what is expected to make the organisation I work for successful.
27. I feel like I really fit in where I work.

**Brand Citizenship Behaviour**
28. I take responsibility for tasks outside of my own area if necessary e.g. following up on customer requests etc.
29. I demonstrate behaviours that are consistent with the brand promise of the organisation I work for.
30. I consider the impact on my organisation’s brand before communicating or taking action in any situation.
31. I show extra initiative to ensure that my behaviour remains consistent with the brand promise of the organisation I work for.
32. I regularly recommend the organisation I work for to family and friends i.e. non job related acquaintances.
33. If given the opportunity, I pass on my knowledge about my organisation’s brand to new employees.
34. I am always interested to learn about my organisation’s brand and what it means for me in my role.

**Employee Satisfaction**
35. I feel reasonably satisfied with my job.
36. I feel a great sense of satisfaction from my job.
37. I am satisfied with my overall job.
38. I would not consider leaving my current job should another job opportunity be presented to me.
39. I do not enjoy my job.

**Employee Intention to Stay**
40. I plan to be with the organisation I work for, for a while.
41. I plan to be with the organisation I work for five years from now.
42. I would turn down an offer from another organisation if it came tomorrow.
43. I plan to stay with the organisation I work for.

**Positive Employee Word of Mouth**
44. I say positive things about the organisation I work for to others.
45. I would recommend the organisation I work for to someone who seeks my advice.
46. I enjoy talking about the organisation I work for to someone who seeks my advice.
47. I talk positively about the organisation I work for to others.

**Management Support**
48. The organisation I work for values my contribution to its well being.
49. The organisation I work for strongly considers my goals and values.
50. Help is available from the organisation I work for when I have a problem.
51. The organisation I work for tries to make my job as interesting as possible.
52. My manager is willing to extend themselves in order to help me to perform my job to the best of my ability.
53. My manager understands my problems and needs.
54. The organisation I work for acknowledges the efforts of employees.
Organisational Socialisation
55. The organisation I work for has provided excellent job training for me.
56. The training in the organisation I work for has enabled me to do my job well.
57. My co-workers are usually willing to offer their assistance or advice.
58. The goals of the organisation I work for are very clear.
59. The instructions given by my manager have been valuable in helping me to do better work.
60. My co-workers have done a great deal to help me to adjust to my organisation.
61. My work environment helps me to understand how I should behave in my job.

Employee Attitude Towards the Job
62. I consider that my job is interesting and stimulating on the whole.
63. I feel that I am making an important contribution in the organisation I work for.
64. I feel hassled in my job.
65. I have too much to do in my job.
66. I enjoy doing the job that I do.
67. This is my ideal job.
68. I feel very positive towards my job.

Employee Involvement
69. I have the opportunity to comment on customer initiatives before they are shown to the general public.
70. I have the opportunity to participate in the development of new customer initiatives (e.g. providing customer feedback, developing innovative ideas.)
71. I have the opportunity to be involved in a range of organisational initiatives (e.g. new projects, social club, staff meetings.)
72. I have the opportunity to provide feedback about organisational activities (e.g. customer promotions, training sessions.)
73. I have the opportunity to discuss issues in the workplace with management.
74. Employee contribution is welcomed in the organisation I work for.

The ‘H’ Factor
75. I feel that a good deal of cooperation exists between management and the employees of the organisation I work for.
76. Overall, I would suggest excellent communication exists within the organisation I work for.

77. The organisation I work for has a clear set of goals and values which everyone is pursuing together to achieve.

78. I feel that I am a respected and valued member of the organisation I work for.

79. I feel that I can trust the management of the organisation I work for.

80. I feel that the organisation I work for trusts me to do a good job.

81. I feel that the organisation I work for is considerate, (to the best of their ability); of the impact their decisions have on me.

82. I feel that the organisation I work for is considerate, (to the best of their ability); of the impact their decisions have on my role.

83. I feel like the organisation I work for treats me like a human being (e.g. with respect, is cooperative, communicates well.)