

Implementation of internal branding in an organisation marketing essay

[Business](#), [Marketing](#)



ABSTRACT

This paper examines the importance of internal branding to an organisation. The paper, will explain what internal branding is all about. It will discuss the function of internal branding that lead to organisation achieving a strong corporate brand image. In addition, it will talk about the problem of implementation of internal branding. Next key issue is success factors of implementing internal branding. In addition, consolidated internal branding framework will be discussed. The next section is the methodology used in the literature review that is being analysed. The conclusion is the last part of this paper where summary, gap and future research idea will be discussed.

Table of Content

Content

Page

Abstract 2
Table of content 3
Importance of internal branding 4 - 6
Problem of internal branding 6 - 9
Key factors for success implementing of internal branding 9 - 12
The Consolidated internal branding framework (CIBF) 12 - 15
Methodology 15 - 16
Conclusion 17 - 19
Reference 20 - 23

IMPORTANCE OF INTERNAL BRANDING

The meaning of internal branding refers to the activities employed by a company to ensure intellectual and emotion staff buy-in into not only the corporate culture but also the specific brand invoke within this culture (Thomson, de Chenatony, Arganbright & Khan, 1999). The idea of internal branding will be an important area to focus on as internal branding is an

important tool to create a powerful corporate brand (King & Grace, 2008). As external branding can make a consumer's decision process more simplified thru the strong promise of brand and advertising, the current phenomena that organisation is focusing on is the recognition of the value of promoting brand internally in an organisation (Judson, Aurand, Gorchels & Gordon, 2009). In the recent time, organisations have been competing to gain a better position in a very competitive market. The main focus of the competition between organisation is the offering of exceptional services to customer in form of organisation's core product that is either physical goods or services (Henkoff, 1994). In other words, there is a shift occurring in the logic of marketing where focus is now on the services rather than on physical good as the main mode of economic exchange (Vargo & Lusch, 2004). The offering of good service will be the key weapon for organisation to gain competitive advantage (Pappu, Quester & Cooksey, 2005). Moreover, the core objective of internal branding is to achieve a competitive advantage that is not easily replicated not by using policies or practices but thru people (Jacobs, 2003). Internal branding also plays a vital role to reorganise the diverse portfolio of an organisation (Irvin, Pedro & Gennaro, 2003) The main element that link brand and delivery of a good service is the employee (King & Grace, 2008). The Internal Branding is base on employee awareness of the brand and the role of employee maintains the brand characteristic (Aaker, 1996). The objective of internal branding is to make sure that employees transform a desired brand image that is being promoted by organisation into a reality for the stakeholder and customer (Punjaisri & Wilson, 2007). In addition, Judson, Gorchels & Aurand says that " When internal branding

efforts are implemented, employees are more likely to understand the brand, take ownership in the brand, and provide evidence of the branding their organisation responsibilities" (2006: 100). Moreover, internal branding has the direct influence on employee's performance on how they deliver the brand value. Furthermore internal branding also will affect the attitude of the employees that will have an effect to the organisations brand (Punjaisri & Wilson, 2007). The reason why Internal Branding is gaining importance in organisation is because the factor of gaining competitive advantage. Internal Branding can help organisation gain competitive advantage because Internal Branding can help an organisation build a strong image. The strong image that an organisation gains is consider unique. Moreover, that strong image will bring the organisation to a position in the market that any competitor will find it difficult to replicate or copy (Burmam, Zeplin & Riley, 2009). In addition, Internal Branding is a process that involves all the employee of an organisation. The responsibility of gaining competitive advantage depends on the employees of all level in the hierarchy regardless of employee's role of function in an organisation. The participation of employees throughout the organisation will play a crucial role in strong branding building (Burmam, Zeplin & Riley, 2009). Internal Branding for organisation is a vital element as the reality in the market proves that internal branding is the new factor of gaining successful branding for an organisation. An organisation can only gain a competitive advantage over their competitor if there is an exclusive strong image that an organisation gains through internal branding. As a result of the rising of focus in internal branding to an organisation, how an organisation will focus on its branding process will be a big challenge. The

implementation of internal branding in an organisation will not fully promise success to organisation as there are factors that will determine the success or failure of implementing internal branding. The factor that will affect the implementation of internal branding in organisation will be discussed in the later part of this paper. In overall, internal branding is a new topic that lack in research as much of the review on internal branding has been disparate and lacking in focus and definition (Torres & Mahnert, 2007). The importance of internal branding may lack in research for a specific sector of an industry as the available literature review is mostly on the general view. In other words, the importance of internal branding that is discussed above may not be suitable for some industry or the end result of implementation may not be achieved as expected. The importance of internal branding is still not be able to be directly compared with other marketing element as there is still not enough research being done in large amount on internal branding that result in a solid finding that is comparable to other marketing topic. The measurement of the importance of internal branding is still unclear as the researches done in the past do not give clear information of the importance of internal branding but only mentioning that internal branding is gaining priority among organisation. The degree of importance of internal branding in the reality world is still remain unexplored will be a shortcoming for this topic. The next section that is discussing about the problem factors of internal branding will give a clearer picture about the issue of internal branding as it will eventually affect the importance of internal branding to organisation.

PROBLEM OF INTERNAL BRANDING

As there are changes in marketing environment, it is equally important for organisation to communicate brand messages to their employees as compare to communicating the brand messages to their customer. The failure to equal the message being send to employee compare to customer will result in employee get demoralised and lose faith with the organisation that they are working with. As a result, the affected employees will not be able to deliver the company's brand image effectively to customer (Judson et al, 2009). If employees do not support the organisation's effort of delivering brand message, the credibility of the organisation's brand message will be tarnished (Schiffenbauer, 2001). Hence, employees in an organisation should align their performance to be same level with the external brand promise (Schultz & Schultz, 2000). Another problem for internal branding is the customer could not experience the true brand value of an organisation. The root of this problem is the employee's lack of commitment toward the organisation while working. This bad attitude will result in the lack of consistency of delivering the organisation's brand value. As a consequences, the customer's experience with the organisation brand value is not delivered fully or customer gaining the wrong image of the organisation (Kimpakorn & Tocquer, 2007). Since the idea of internal branding is linked closely to employees, the human factor that the organisation must deal with proved to be a weak point in the implementation of internal branding because human factor can be vulnerable to organisation (Joseph, 1996). The employee's value to an organisation can be compared to a valuable asset because employees do pose a threat to the organisation brand. The threat that

employees pose to organisation is the human nature of employee as human are considered as heterogeneous. The reason why human are heterogeneous is because during the delivery of service to customer, the customer will have a different experience each time they receive a service as the employee responsible of delivering the service is different each time and may vary (Punjaisri & Wilson, 2007). Furthermore, problem of implementing internal branding in organisation is the strategy that an organisation is implementing. In other words, organisations that have heavy reliance on internal communication (IC) will encounter problem or failure of implementing internal branding (Machtiger, 2004). The reason why too heavily reliance on internal communication will lead to problem is because the organisations need to rely on a broader framework within an organisation as the idea of internal branding is not only focusing on an area in an organisation. Instead, organisation should integrate their framework with department such as corporate marketing, corporate human resource and corporate management (Punjaisri & Wilson, 2007). If an organisation can link marketing with their human resource function, it is argued that employee can accept the brand better, internalise the brand value better that will lead to the adjustment of their behavior accordingly (Vallaster & de Chernatony, 2005; Burmann & Zeplin, 2005). As employees play a major role in the success implementation of internal branding, the management of an organisation will face a problem when recruiting their employee to execute the internal branding plan. The personality of employee is also the problem that should be considered by organisation when deciding on the implementation plan of internal branding because it is hard for organisation

to assess whether the employee value is fit with the organisation's value and brand. To overcome this problem, the organisation should give orientation to employee in the form of training and education on the aspect of the organisation's mission and brand value (Punjaisri & Wilson, 2007). The problem faced by organisation is mostly related to the employees and the style of an organisation operates its business. The problem will surely affect the success of implementation of internal branding in organisation. As a result, organisation should take action to overcome this problem that will affect the development of internal branding. Although internal branding is gaining importance in organisation, the problem that involve organisation employee or the strategy of organisation operation may cause internal branding losing its priority in organisation. By losing its priority in an organisation, internal branding might not be important to an organisation anymore and gain less focus as it is in the past. To avoid this situation, a framework of successful implementation of internal branding should be outlined. The way to overcome the problem of internal branding will be discussed in the next section of this paper.

KEY FACTORS FOR SUCCESS IMPLEMENTATION OF INTERNAL BRANDING

There are three core element of internal branding which is very important to the organisation. The first core element is the reflection of brand value by the employee to the consumer or the customer. Second core element is the realization of the brand promise communicated to the external and internal market. The last core element is the importance of multi-direction that an organisation needs to adopt and apply to its organisation on all level of

employee so that the employee value and behavior is the same with the management (Torres & Mahnert, 2007). In addition are seven factors that will result in either success or failure in implementing internal business in an organisation. The seven factors are organisation, information, management, communication, strategy, staff and education (Torres & Mahnert, 2007).

Organisation

In the organisation, there are many factors that is intangible and hard to change (Torres & Mahnert, 2007). Culture does play an important role in the internal branding implementation, so the sense of awareness of this culture will be enough if there s no conflict with internal branding (Hogg, Carter, & Dunne, 1998). In contrast, if the culture does not fit with the organisation's internal branding objective, change of culture is a must (Bergstrom, Blumenthal & Crothers, 2002). Furthermore, cross-functional coordination or integration is important in organisation as it will reduce conflicts and departmentalised thinking (Bak, Vogt, George & Greentree, 1994: Sartain, 2005).

Information

The success of implementation of internal branding depends on the in-depth of knowledge that an organisation have and also the understanding of the external and internal environment. How an organisation performs should be measured in the form of feedback at all the level of the organsiation as well as feedback from outside of organsiation. The purpose of feedback review is to compare the current performance with the implementation of internal branding (Torres & Mahnert, 2007).

Management

Success of internal branding in an organisation depends on the amount and type of visible support that the management gives to maintain the internal branding process (Torres & Mahnert, 2007). Since the internal branding is related to the corporate brand, the CEO should get involve with the internal branding as it is related with the organisation's strategy and brand (de Chernatony, Drury & Segal-Horn, 2003).

Communication

In the communication factor, every employee in the organisation should have the access to the any information with the criteria that the amount of information given to the individual is not so in detail to avoid overload of information (Haynes, Lackman & Gusley, 1999). The message that flow in the organisation should be the same externally and internally so that there is no confusion among the employees (Yaniv & Farkas, 2005) An internal branding process is considered successful if the overall business objective is in line with the business objective and desired message to be delivered to customer is achieved (Davis, 1996: Straughan & Cooper, 2002). Human resource and marketing should work together so that employees are well aware of what is going on in the organisation. As a result, the employees will further reinforce of the brand promise of the organisation (Aurand, Gorchels & Bishop, 2005)

Strategy

The strategy of an organisation should be align with all the policy and strategy being employed in the organisation and must be fit with the

business objective, internal and external brand (Jacob, 2003). Conflict between strategies may result in internal branding become less attractive (Torres & Mahnert, 2007)

Staff

Recruiting, motivating and rewarding staff will encourage employees to adopt and accept a new strategic plan being implemented that will influence the success of implementing internal branding (Bergstrom, Blumenthal & Crothers, 2002). Staff is the most vital element as it is the basic resource for implementing internal branding. A company should gain leadership support as well as support of all level of employees because they are the largest audience group in the organisation (Torres & Mahnert, 2007). In addition, if there is a significant difference between employee groups, it is better to do segmentation of this large group of employee. Difference may exist if an organisation is culturally different among different business unit or the location of employee works is diverse throughout the organisation (Joseph, 1996).

Education

Another important element apart from the six factor mention above is the education is an important factor to consider in the form of education of staff and management (Barnes, Fox & Morris, 2004). The logic behind the importance of giving education to employee before implementing the internal branding process is to avoid the ignorance of staff (de Chernatony, 2007). The Seven factors for successful implementation of internal branding are important for organisation to take notice and make changes. However,

there is some weakness in among these seven suggested factors. Some organisation may not want to change their strategy of way they operate because it is not economical or they are holding on to a tradition way of doing their business according to their value. The suggested factors also may not be appropriate to certain business model. In other words, the suggested factor may be more suitable for service oriented business model compare to a product oriented business model or vice versa. How effective of the seven suggested factors on promoting internal branding success to an organisation is still unknown. Further research should be done on this model for internal branding success as there is still room for further modification and to find out how effective this model is to organisation. The next section will discuss on the consolidated internal branding framework (CIBF) that is developed according to the seven success factor of internal branding with various framework. The CIBF will explore further how applicable internal branding is to an organisation that will lead to the main focus of how important internal branding is.

THE CONSOLIDATED INTERNAL BRANDING FRAMEWORK (CIBF)

The CIBF is based on various model of framework that is integrated with the seven factor of success of implementing internal branding that is mention above. The framework involved are intellectual and emotional buy-in matrix (Thomson et al, 1999), model of the power of brand champions (Ind, 2001), five category framework (Bergstrom, Blumenthal & Crothers, 2002), three principle framework (Mitchell, 2002), 6 Rs frameworks (Mortimer, 2002), and ten-step framework (Jacobs, 2003). The CIBF framework is developed by

Torres & Mahnert by combining framework mention about with the seven success factors (2007: 58). The first stage of CIBF is planning. Timing decision is important as it is related to employees because employees will more likely to accept change if employees agree with general change in organisation (Mitchell, 2002). In addition, quantifiable target need to be set up so that internal branding process can be legitimise and facilitate measurement and action where necessary. Furthermore, budgeting is also an important element as it will decide the form and extent of internal branding in an organisation. Organisation should also do constituency assessments on all level of the organisation to get a clearer picture of internal branding with the brand and value. The employee behavior should be identified by doing a research as it will help the implementation of internal branding as the employee must fit with the organisation's culture and brand value. Messages also play an important role in internal branding as message need to be integrated externally and internally. Messages should be continuous reinforced, applied with deeds communication and alteration of message if there is a need to do so (Torres & Mahnert, 2007). The second stage of CIBF is the executing. The amount of power empowerment is usually depend on the nature of the work, how willing an employee wish to take responsibility and also how much do an organisation willing to hand over power to employee (Bowen & Lawler, 1992). The organisation also need to communicate among different department by using multiple channel in the organisation as it's important to ensure that access of information and delivery of message among all level in the organisation is going smoothly (Torres & Mahnert, 2007). Furthermore, a reward system and open-door

policies between management is vital as it will promote the team spirit and also transparency among employees (Mortimer, 2002). Moreover, promotional prospect should be linked in to the execution of internal branding process as it will encourage more involvement of employee in internal branding. If a reward system is implemented in an organisation, fairness should be the main priority so that competition internally in organisation can be avoided. In addition, if a reward is given out to a employee without any clear difference in performance will lead to frustration of the employee that did not get rewarded. This effect of lessen motivation of the employees will lead to the failure of internal branding process (Torres & Mahnert, 2007). By giving education to employee, organisation can change employees that is committed to goal but lack of understanding into a true brand champion that deliver the brand value really well (Ind, 2001). The third stage is the evaluating. The two main goals that need to be focused by organisation is the achievement of the brand commitment among employee and what is the effect of such commitment on internal branding. The use of balance scorecard system is important to access the organisation performance on implementing the internal branding (Torres & Mahnert, 2007). Furthermore, the progress of implementation of internal branding should be measure in the form of feedback as the feedback will give organisation the clear situation of the implementation of internal branding (Bergstrom, Blumenthal & Crothers, 2002; Jacobs, 2003). The feedback should be taken from all level of the organisation as the internal branding process in an organisation can be review and judged of its performance so that organisation can make changes to its internal branding program easily

(Torres & Mahnert, 2002). The CIBF is important factors that the organisation should consider when implementing the internal branding process. The reason why this CIBF is vital to organisation is because the relatively new of the topic of internal branding, there is not much framework that can be use to clearly discuss the implementation of internal branding in the organisation. If the way of implementing the internal branding is not reviewed, there is possibility that the identification of problem is unidentified as problem of internal branding will only arise if implementation is done. With the existence of this CIBF framework, the worthiness of implementing internal branding is more clear as the way of implementing internal branding and way of avoiding failure have been discussed in the earlier part of this paper. Internal branding can only be judged of its worthiness if applied in an organisation given that the problem and way of implementing is reviewed. Discussion of failure and success factors together with the CIBF will lead to the question of how important is internal branding is to an organisation. The success of applying the CBIF will lead to organisation gaining competitive advantage in form of unique brand value.

METHODOLOGY

The methodology use by most authors in this literature review is mix of positivist and interpretivist. The paper by Judson, Gorchels & Aurand (2006) is an example of a quantitative paper that uses the positivist approach. In that paper, the authors use the survey method to conduct research by sending e-mail survey to 1406 head and assistant coaches of football, both men's and women's basketball programs of the NCAA Division 1 Universities.

The result of the survey receives a total of 12. 27% of respond rate and the authors consider that rate to be acceptable to conduct their research.

Furthermore, another paper done by Judson, Aurand, Gorchels & Gordon (2009) is also using a positivist approach with a quantitative research method. The main research method of this paper is using online survey by e-mail. The online survey was sent to the 2619 individuals of various university posts. After receiving respondents receives e-mail, respondents will be directed to a website where the survey is conducted. The respond rate is 13. 1% with 334 respondents is deemed acceptable as business to business surveys rate of 5% is categorised as acceptable according to the authors.

Furthermore, the research paper by Aurand, Gorchels & Bishop (2005) is an example of quantitative research that uses the positivist approach. The authors use a systematic random sample of 1117 e-mail address that was drawn from a list of participation from business seminars at a large Midwestern university. After two wave of sending of e-mail, the real respondents list is 922. The result of the survey receives 201 respond or equivalent to 21. 8% of respond rate. The paper by Kimpakorn & Tocquer (2007) is a positivist approach as the authors uses the survey method to conduct research. The research is conducted with leading five star hotels in Bangkok, Thailand by sending survey questionnaires. The authors manage to get 320 responds from the survey but only 280 were use for data analysis.

Punjaisri & Wilson (2007) uses a mix of qualitative and quantitative approach to do their analysis. The first phrased of research is performed using the semi structured interview with the senior managers and customers-interface employees in six major hotels in Thailand. In addition, the second phrased of

study is conducted using survey with the customer facing employees. In contrast, Burmann, Zeplin & Riley (2009) use the interpretivist approach on their research paper with the use of mix of qualitative and quantitative method. The initial objective of this research paper is to interview 97 companies that represent a cross-section German industry sectors. The participant must have access to the marketers with internal branding management. As the nature of the interview need permission for interview and time commitment, only 14 companies representing 14 brands have interviewed but extra 4 companies agree to interview later. The later stage of the research is based on survey with customer and employees. Another research paper by King & Grace (2008) is a interpretivist approach with the usage of qualitative method. The authors use the interview method that is audio taped and transcribed for the ease of analysis. Total of 10 employees from organisations with the service industry took part in the interview.

CONCLUSION

The topic of internal branding is known as the new focus of organisation as there is very little research is done on this topic. Recently, due to the change of environment and the change of nature of doing business, the topic of internal branding is gaining it importance in an organisation. Moreover, the implementation of internal branding will lead to organisation gaining a competitive advantage over their competitor. The implementation is not a easy step for organisation as the concept of internal branding is relatively new. As the topic of internal branding is still remained untapped by researchers, there is a lot of possibility of research topic can be done on

internal branding. The implementation of internal branding is not as easy as applying the concept of internal branding into the organisation. There is evident of problem as proven by this paper as the human element that involve in internal branding is a very complex subject to implement a system. As proven by this paper, the human aspect is giving organisation problems as human is known as heterogeneous. The organisations need to come out with a way to avoid problem of implementing internal branding. If implementing a new concept such as internal branding is a costly and problematic process, the importance of internal branding will fade away quickly in the organisation point of view. The combination of problem and resistant from employees will turn even an organisation with good healthy business into a problematic company. The problem will not only interrupt the organisation goals of gaining competitive advantage, it will also cause trouble to the organisation. As the problem of internal branding is identify in this paper, the list of factors that will lead to organisation to a successful implementation of internal branding is very important. There are seven factors indentified in this paper that will lead to the success of implementation of internal branding. It is vital for the organisation identify the key problem and conduct change based on the seven factor of success of implementation of internal branding. The success factor suggest in this paper may not be applicable to all type of business model or organisation as every organisation will have a special requirement on the way that a organisation run a business. In other words, part of the suggested seven factors of success of implementing internal branding might not be helpful to certain organisation. The CIBF model is very useful to organisation as this is

the a good guide for organisation to follow as the identification of problem and success factor need a solid framework to link up the two factor that is affecting internal branding. With this CIBF, the implementation of internal branding will become successful. As a result of successful implementation, the organisation will now be able to achieve the objective of implementing internal branding. With the combination of problem identification, success factor and CIBF, organisation can now adopt a right strategy to implement internal branding. The success of adopting a suitable strategy of internal branding will link back the organisation to its main objective of gaining competitive advantage. The reason why linking the problems, success factors and CIBF is because the implementation of internal branding will change the entire internal operation of an organisation, failure to identify the factors that will affect the success of internal branding will be bad for the organisation. The gap of this paper is there is no evidence to prove the effectiveness of application of the suggested CIBF. In addition there is not enough research on internal branding that internal branding is more important than other element in organisation operation. There is not enough quantitative research to suggest that with the implementation of internal branding, a company will perform better than its competitor. The idea of gaining competitive advantage is still unproven statistically. Furthermore, how a good implementation of internal branding is affecting the organisation performance in the future is still unknown. More research should be done on how successful internal branding implementation will affect the organisation so that the idea of implementation of internal branding will be proved important. Another gap is the literature review being use is mostly giving a

general view of internal branding on organisation. The idea of internal branding may not be suitable to be implemented in certain industry. More research on internal branding should be done on the implementation of internal branding in a more specific industry so that the relevant of the research result will be more accurate. The importance of implementation of internal branding should be done on a more specific industry so that a more critical analysis can be done on internal branding of that specific industry. More research can be done on the cross function relationship of different department in an organisation with marketing and how that relationship will affect internal branding.