Internal branding in organization in the context of internal corporate communication

Summary

The article presents the issues of important area of communication management in an organization – the concept of internal branding. According to some authors, internal branding is the domain of marketing. But at the same time, it should be noted that this phenomenon is a subject of interest of researchers and practitioners in the area of marketing and human resources (HR).

Internal branding has been presented in the article in the frames of the concept of corporate internal communication. The author attempted to show the interdisciplinary nature of this phenomenon. It is particularly important to look on this subject, in terms of the necessity of obtaining synergy in the field of marketing, human resource and brand management.

The aim of the article is to identify the degree of involvement of the organizations in activities in the field of brand management in its such aspects, as: e.g. internal branding and employer branding.

The review of literature in the field of internal branding, examples of good practices and also results of study conducted by the author has been presented in the paper. This is the research article.

Key words: internal branding, brand management, internal corporate communication.

JEL codes: M31, M51

Introduction

Internal branding is relatively little described in the literature in the field of business management. External approach of brand management is much wider described phenomenon. Focusing the branding on the external client is much more common aim of management than, on employees and internal stakeholders of the organization. Internal branding is a subject of interest of researchers and practitioners in the area of marketing and human resources (HR). According to some authors, internal branding is the domain of marketing (Mitchell 2002, Punjaisri et al. 2009, s. 563). But at the same time in many publications, this issue is treated as an activity on the border between marketing and HR. This approach is being represented, among others by Machtiger (2004), which indicates that internal branding requires a broader integrative framework across marketing, management and human resource disciplines. Punjaisri and Wilson (2007) and Vallaster and de Chernatony (2003)
publish similar results, also pointing to the existence of synergy between marketing and HR. The author of the article also represents this approach.

Internal branding is an important part of the marketing approach to brand management. According to K. Keller, brand is recognized in two meanings. One of the approaches, represented by the AMA (American Marketing Association) relates to the definition of the brand, treated as: name, term, design, symbol, or any other feature that identifies one seller’s good or service as distinct from those of other sellers. The second approach describes the brand as the emotional message (Keller 2012). In the case of internal branding, brand is treated as a transfer of value and experience.

The concept of the brand is often described in the literature and considered in terms of the market and the consumer. Many entrepreneurs are looking for a way to define the brand based on brand experience. In order to the effectiveness, the transfer of brand value must be true. Brand value communicated to the market, outside companies should also be applied within the organization. They must apply to the employees. And employees should know the value of the brand and also profess them. Employees should be aware of the value of the brand of the organization. The transmission of the brand should come from communication from the organization’s management. It is very important that the message of the brand value operate within internal corporate communication (ICC).

The aim of the article is to identify the degree of involvement of the organizations in activities in the field of brand management in its such aspects, as: e.g. internal branding and employer branding.

Literature review

Internal corporate communication (ICC)

Welch and Jackson (2007, s. 186) define ICC as „a process between an organization’s strategic managers and its internal stakeholders, designed to promote commitment to the organization, a sense of belonging to it, awareness of its changing environment and understanding of its evolving aims. They have positioned internal communication within the strategic public relations and ICC”. Smidts et al. (2001) suggest that ICC the degree of employee’s identification with their organization and their attitude to support the organization.

Tukiainen (2001) emphasizes that employee’s attitudes may be shaped by the corporate messages like value statements in a form of mission and vision of the organization, employee benefits, delivered to the employees through internal communication channels (Sharma, Kamalanabhan 2012, s. 300).

According to Weick (1987), internal communication can be considered as a “sense-making” activity that employs language genres (e.g. news) to capture and construct corporate brand identity. “Communication practitioners to create a strong identity among internal stakeholders, use corporate visual identity symbols (van de Bosch, de Jong, 2005) like logo,
building, clothing and vehicles as part of brand messages” (Sharma, Kamalanabhan 2012, p. 302).

In the literature from the scope of marketing, brand management has become treated as an indispensable part of an organizational functioning (Balmer 2001, Kotler, Keller 2012). Organizations associate their efforts in the field of branding, to the development of products and corporate brands. Branding can also be used in area of human resource management, e.g. employer branding (Backhaus, Tikoo 2004; Dryl 2014). Organizations increasingly concern on internal branding in order to assure that current employees engage in corporate culture and strategy (Backhaus and Tikko 2004; Forman, Argenti 2005; Sharma, Kamalanabhan 2012; Dryl 2014).

According to Sullivan (2004), employer branding should be defined as “targeted long-term strategy to manage the Awareness and perceptions of the employees, potential employees and related stakeholders with regards to a particular firm” (Backhaus, Tikoo 2004).

The concept of internal branding

In the literature in the field of management and marketing it is pointed that employees are influential on customers and other stakeholders’ brand perceptions. This impact should be considered in the context of delivering both functional (what are delivered) and emotional (how they are delivered) values (de Chernatony 2002; Punjaisri et al. 2009).

In accordance with this point of view, a corporate (service) brand could achieve a sustainable competitive advantage, when employees are aligned with the brand values, (Pringle, Thompson 2001).

Canadian Marketing Association points that “Internal branding is the set of strategic processes that align and empower employees to deliver the appropriate customer experience in a consistent fashion. These processes include, but are not limited to, internal communications, training support, leadership practices, reward & recognition programs, recruitment practices and sustainability factors (CMA 2007)”

According to above mentioned considerations, internal branding can be defined as the use of internal communication techniques and training programs to educate employees about the brand promise.

Therefore, internal branding is argued as “having the attainment of competitive advantage through people as its core objective, which is difficult to be replicated” (Jacobs, 2003). This is then essential for the concern revolving around the heterogeneous quality of a service brand. During a buying decision process, customers encounter perceived risks. The evaluation of services quality is not possible before buying it. Consequently, this intangible nature of service brands highlights the importance of brand promise fulfillment (Punjaisri et al. 2009).

Furthermore, according to the results of a study carried out by Punjaisri et al. (2009) potential employee is likely to accept a lower compensation if his job delivers quality and trust
through company’s brand values and internal communication. This study has empirically proved that employee brand identification, loyalty and commitment may be strengthened by internal communication and training.

One of the key roles of internal branding process is to ensure that employees transform brand messages into brand reality for external stakeholders. However, despite the fact that internal branding outcomes have been little researched so far, few researchers have suggested that internal communication can be instrumental in successful implementation of internal branding strategy (Chong 2007; Grof 2001). According to Thomson et al. (1999), internal communication and training are the crucial factors in the process of internalization of brand values by employees. Acting in accordance with this approach build their commitment towards “brand-supporting” behaviors.

Conclusions of the analysis of the above-mentioned definitions of internal branding and researches in this field (Backhaus and Tikko 2004; Punjaisri et al. 2009), allow to determine that internal branding is a result of employer’s internal communication effort to develop a workforce that is committed, loyal and identifies with the set of organizational values and goals.

The confirmation of great significance of internal communication and training in the process of building internal branding are the results of research undertaken by Papasolomou and Vrontis (2006) in UK banking. According to the obtained results of the study, internal branding using internal communication and training enhances employee’s loyalty.

Internal branding is an interdisciplinary term, collated within the scope of areas such as marketing, management, human resources. According to business reality, it should be recognized as multi-disciplinary business practice. In the opinion of Groom et.al (Groom et.al. 2008, s. 4) internal branding “is a key factor in business and brand success, being the bridge between business strategy and implementation”. Internal branding affects the members of the organization. Causes that they are united with the brand, they know what it represents and they communicate it to the organizations’ environment.

According to Canadian Marketing Association research, among the areas of organization responsible for developing internal branding strategies, are following departments (CMA 2008):
- Marketing 77%,
- Executive team 72%,
- Human Resources 41%,
- Public Relations 28%,
- External Agency 21%,
- other 11%.

As shown in business practice, the tasks of internal branding are realized primarily by marketing departments and executive team. This does not change the fact that effectiveness in activities in this area requires the involvement of the other functions in the organization. (CMA 2008, p. 4).
The fact that the organization applies the principles of internal branding, the following symptoms may indicate:
- the employees are able to tell, what is the difference between their brand and competitive ones,
- the employees know that, the transfer of their brand value is true,
- the company’s management in internal communication with employees devote more space to the values and vision of the brand than financial values,
- the brand is present in press reports about a particular product category,
- employees are very aware of the fact, that customers pay their salaries.

Groom et al. (2008, p. 6) indicate three elements crucial to the success of an employee internal branding strategy and implementation. According to the authors, these are (Groom et al. 2008, p. 6):
- “pride/confidence - engendering and sustaining pride/ confidence in the company.
- reward/recognition - having appropriate employee reward and recognition (for their contribution to the brand).
- consistency - consistency in practice of supporting Human Resources programs and practices over time.”

The authors define these three elements as employee engagement.

**Case study of Internal Branding**

An example of an effective internal branding activities can be the manager of Hallmark Cards, who used to say to employees, “remember to always thank the customer for your salary.” This statement always reminded that all organizations revenue and profits are due to the fact that consumers are willing to pay for the services and products that meet their expectations. Hallmark successfully implemented the internal branding as follows (ybrands.blogspot.com):

- The Brand Council consisting of middle and senior managers from different departments: communication, training, HR and Business Units, was created. The meetings were held every month. The employees discussed understanding and interpretation of the company’s mission and its impact on the organization.
- There was created the position of Brands Warden in the marketing department. His task was the development of the brand identity standards and the establishment of the Council of brand identity - which was composed of top-level managers managing departments, which most often use the brand on products, packaging, at merchandising, promotional materials and licenses.
- A internal study was conducted to understand the current situation within the employees understanding of the brand. On the basis of results of the study, the Council has developed a 2-year program focusing on internal training, internal communication and changes in the organizational culture.
• Training about the brand have been incorporated into a continuous training program. The training included all employees at every level.
• Internal communications department focused on the proper delivery of all messages in the correct frequency - each message was transmitted at least 7 times.

The process of building organizations brand should focus on the many dimensions of its impact. Brand is the determinant of activities of organizations’ members. Very important is the commitment of the top management of the organization. Especially its awareness of the importance of the brand. Below is specified the summary of citations of three managers: Jeff Bezos, Tom Peters, Sir Richard Branson:
- “Your brand is what people say about you when you’re not in the room” – Jeff Bezos, Founder of Amazon.
- “All of us need to understand the importance of branding. We are CEOs of our own companies: Me Inc. To be in business today, our most important job is to be head marketer for the brand called You.” – Tom Peters, Fast Company.
- “Branding demands commitment; commitment to continual re-invention; striking chords with people to stir their emotions; and commitment to imagination. It is easy to be cynical about such things, much harder to be successful.” – sir Richard Branson, CEO Virgin

The success of above-mentioned organizations is the proof of crucial meaning of internal branding.

Methodology

The study was conducted in 2015. On a group of 381 respondents representing companies with their headquarters or offices in the Pomerania voivodship. Companies represented different industries. Respondents represented various positions, more than 70% of respondents were employed in marketing departments, 23% of respondents were chief executives or board members. The survey was conducted by means of questionnaire, placed on a specialized website for marketing research. The survey took the form of CAWI (Computer-Assisted Web Interview).

The structure of the respondents are shown in Table 1. The structure of the sample comes from accessibility of the respondents. With full knowledge of the above restrictions, there should be indicated that the characteristics of the respondents do not reflect the structure of the population, but it was close in terms of gender distribution.

The study involved 179 men, which accounted for 46.98% of the respondents (Table 1). According to the latest official data from the Central Statistical Office (GUS) 2016, men account for 48.39% of the Polish population. The structure of respondents by gender is therefore compatible with the structure of society. The structure of respondents by education indicates the largest share in the sample of persons with higher education MSc (nearly 35.96%), while 22.57% share of people with undergraduate education (Table 1). There was much more people with higher education in the sample, than in the general population.
**Table 1**
**Characteristics of respondents**

<table>
<thead>
<tr>
<th>Variables</th>
<th>%</th>
<th>Incidence (Number of respondents)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Women</td>
<td>53,02</td>
<td>202</td>
</tr>
<tr>
<td>Men</td>
<td>46,98</td>
<td>179</td>
</tr>
<tr>
<td>Education</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Primary</td>
<td>9,71</td>
<td>37</td>
</tr>
<tr>
<td>Secondary</td>
<td>31,76</td>
<td>121</td>
</tr>
<tr>
<td>Higher bachelor</td>
<td>22,57</td>
<td>86</td>
</tr>
<tr>
<td>Higher MA</td>
<td>35,96</td>
<td>137</td>
</tr>
<tr>
<td>The level of monthly income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Do 1500</td>
<td>8,92</td>
<td>34</td>
</tr>
<tr>
<td>1501-3000</td>
<td>23,88</td>
<td>91</td>
</tr>
<tr>
<td>3001-6000</td>
<td>33,86</td>
<td>129</td>
</tr>
<tr>
<td>More than 6000</td>
<td>33,33</td>
<td>127</td>
</tr>
<tr>
<td>Place of residence</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Village</td>
<td>18,90</td>
<td>72</td>
</tr>
<tr>
<td>Town to 50 000</td>
<td>21,78</td>
<td>83</td>
</tr>
<tr>
<td>Town 50 001-100 000</td>
<td>14,70</td>
<td>56</td>
</tr>
<tr>
<td>Town 100 001-250 000</td>
<td>22,05</td>
<td>84</td>
</tr>
<tr>
<td>Town more than 250 000</td>
<td>22,57</td>
<td>86</td>
</tr>
</tbody>
</table>

Source: own study.

The survey results regarding the place of residence of the respondents, showed a significant advantage of inhabitants of the city in relation to the structure of Polish society. According to GUS, there is 60.34% of urban population in Poland, while in the study, there were 81.10% of city residents. These statistics, allow to determine the relationships on the level of the study group. The author does not draw conclusions about the whole population. However, the value of the research determines the need for future in-depth analysis of the problem.

The aim of the study was to identify the degree of involvement of the organizations in activities in the field of brand management in its such aspects, as: e.g. internal branding and employer branding. The questionnaire contained questions relating to internal branding. The questionnaire consisted of five statements to which respondents could point their attitude in five-point Likert scale: 1 – Strongly Disagree, 2 – Disagree, 3 – Undecided, 4 – Agree, 5 – Strongly Agree.

According to Punjaisri et al. (2009), five-point Likert scales ranging from “strongly disagree” to “strongly agree” is a widely used scale for measuring attitudes (Kinnear, Taylor 1996) and respondents readily understand how to use the scale (Malhotra, Birks 2000). Q1 – The company I work for is actively engaged in internal branding Q2 – My commitment to deliver the brand increases along with my knowledge of the brand...
Q3 – My company’s management communicates brand values to all employees.
Q4 – Employees in my organization are familiar with their company’s brand values.
Q5 – I am aware of the fact, that customers pay my and the other employees’ salaries.

Results and discussion

The results of the survey are shown in Table 2 and Diagram 1.

Table 2

<table>
<thead>
<tr>
<th>Organization’s engagement in selected internal branding processes (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statements</td>
</tr>
<tr>
<td>The company I work for is actively engaged in internal branding (Q1)</td>
</tr>
<tr>
<td>My commitment to deliver the brand increases along with my knowledge of the brand (Q2)</td>
</tr>
<tr>
<td>My company’s management communicates brand values to all employees. (Q3)</td>
</tr>
<tr>
<td>Employees in your organization are familiar with their company’s brand values. (Q4)</td>
</tr>
<tr>
<td>I am aware of the fact, that customers pay my and the other employees’ salaries. (Q5)</td>
</tr>
</tbody>
</table>

1 – Strongly Disagree, 2 – Disagree, 3 – Undecided, 4 – Agree, 5 – Strongly Agree.
Source: as in Table 1.

The survey results indicate a low assessment of the degree of implementation of internal branding in the surveyed organizations. In case of first statement „The company I work for is actively engaged in internal branding”, more than half of the respondents disagreed with this opinion. Only 1/5 of respondents confirmed this assertion. Effective communication between employees of the company is cornerstone for efficient internal branding. Employee’s lack of knowledge about ongoing activities in the field of internal branding is worrying. This may indicate either a lack of action in this field, or the lack of communication, which as previously mentioned is a prerequisite for the effectiveness of internal branding.

The next statements purpose was to examine the brand commitment, defined as an employee’s psychological and emotional attachment to the brand. In the surveyed group, the largest proportion - almost 1/3 of the respondents answered indifferently, and 36% showed no such attachment. It can therefore be concluded that more than 2/3 of respondents did not feel attachment to the brand of the organization. Employees can’t be therefore treated as adding value to build brand equity among customers and external stakeholders of the organization. Lack of respondents knowledge about organization’s brand value, does not allow to carry out effective branding activities.
According to survey results, more than 2/3 of respondents positively assesses the communication of brand value by the management of the organization. It is best assessed statement among all investigated. This is an important feature of the organization’s internal branding. One of the conditions of organization’s internal branding effectiveness, is management’s awareness of the importance of brand values transfer to employees. In the case of the surveyed group of companies the results are not satisfactory. Very negative assessment of management’s actions was indicated by almost 1/5 of respondents. These are very disturbing symptoms.

The knowledge about the brand value among employees was assessed by respondents on a quite low level. More than a half of respondents indicated a negative assessment. This may indicate the need for education and training program in the field of brand value communication.

On equally low level respondents assess the level of awareness of the fact that the organization exists to meet the needs of consumers, but at the same time also thanks to consumers money. It is a fundamental statement, emphasized by managers of companies that have been successful in the market. Awareness of employees that the customers are paying their salaries is crucial for building a successful organization. This is a much broader dimension than management of organization’s brand. Low awareness of the fact that companies exist to meet the needs of customers, is often the reason for the collapse and bankruptcy. It is certainly difficult to achieve success in a competitive market without focusing on client - his need and demands.
In summary, the survey results are not satisfactory in terms of the theory of internal branding. One can see that, there is still much to be done for companies in terms of internal communication, as well as branding and the awareness of importance of the customers for the existence of the organization.

Conclusions

Among all analyzed dimensions of internal branding, brand commitment performed the worst. The lack of attachment of employees to their organization’s brand, has been confirmed in previous studies conducted on the Polish market in the area of employer branding (Dryl, 2014). Certainly this is an area of the organization, in which marketing and HR departments should greatly improve their engagement. It is postulated to organize periodic meetings and trainings for employees in the field of brand value of the organization. The loyalty programs for employees, for example subsidies for medical care programs or sporting activities might also be a good solution. Employees should feel a greater bond with the organization.

Internal branding is an important part of the organization’s management. It is important for the effective management of marketing communications. Internal branding is an interesting example of the possibilities of obtaining synergy in the field of organization management. Necessitates the cooperation of many different departments - marketing, sales, brand management, human resources. Forces also necessity of having an effective system of internal and external communication in the company. Effective internal branding affects the implementation of organization’s strategy. It may therefore be condition of the success of the brand in the market but also the company’s success.

Bibliography

Backhaus K., Tikoo S. (2005), Conceptualizing and researching employer branding, “Career Development International”, No. 9(5).


Wewnętrzny branding w organizacji w kontekście wewnętrznej komunikacji korporacyjnej

Streszczenie

W artykule przedstawiono zagadnienia ważnego obszaru zarządzania komunikacją w organizacji – koncepcję wewnętrznego budowania świadomości marki (branding). Według niektórych autorów branding wewnętrzny jest domeną marketingu. Jednocześnie jednak należy wskazać, że zjawisko to jest przedmiotem zainteresowania teoretyków i praktyków z dziedziny marketingu i zasobów ludzkich.

Wewnętrzny branding został przedstawiony w artykule w ramach koncepcji korporacyjnej wewnętrznej komunikacji. Autor podjął próbę ukazania interdyscyplinarnego charakteru tego zjawiska. Szczególnie ważne jest spojrzenie na to zagadnienie w kategoriach konieczności uzyskania synergiei w dziedzinie zarządzania marketingiem, zasobami ludzkimi i marką.

Celem artykułu było ustalenie stopnia zaangażowania organizacji w działalność w dziedzinie zarządzania marką w takich jego aspektach jak np. branding wewnętrzny i branding pracodawcy.

W artykule przedstawiono ponadto przegląd literatury w dziedzinie wewnętrznego brandingu, przykłady dobrych praktyk i wyniki badania przeprowadzonego przez autora. Artykuł ma charakter badawczy.

Słowa kluczowe: branding wewnętrzny, zarządzanie marką, wewnętrzna komunikacja korporacyjna.

Kody JEL: M31, M51

Внутренний брендинг в организации в контексте внутренней корпоративной коммуникации

Резюме

В статье представлены вопросы существенной сферы управления коммуникацией в организации – концепция внутреннего брендинга. Согласно некоторым авторам, внутренний брендинг – сфера маркетинга. Однако одновременно следует указать, что это явление – предмет заинтересованности исследователей и практиков в области маркетинга и трудовых ресурсов.

Внутренний брендинг представлен в статье в рамках концепции корпоративной внутренней коммуникации. Автор пытался указать интердисциплинарный характер этого явления. Особенно важно посмотреть на этот вопрос с точки зрения необходимости достижения синергии в области маркетинга, трудовых ресурсов и управления маркой (брендом).

Цель статьи – выявить степень вовлечения организаций в действия в сфере управления брендом в таких его аспектах, как, например, внутренний бренд-динг и брендинг работодателя.
В разработке представлены обзор литературы в области внутреннего брендинга, примеры хорошей практики, а также результаты исследования, проведенного автором. Статья имеет исследовательский характер.

Ключевые слова: внутренний брендинг, управление брендом, внутренняя корпоративная коммуникация.

Коды JEL: M31, M51

Artykuł nadesłany do redakcji w październiku 2016 roku

© All rights reserved

Afiliacja:
dr Tomasz Dryl
Uniwersytet Gdańsk
Wydział Zarządzania
Katedra Marketingu
al. Armii Krajowej 101
81-824 Sopot
e-mail: tomasz.dryl@ug.edu.pl