The Prospect of Internal Branding in the Corporate Sector of Bangladesh: A Study on the Professionals in Service Industry

[Yesmin Sultana & Tahsina Khan]

Abstract— **This empirical research aims at analyzing the potential of internal branding practices from the perspective of the professionals in the corporate sector of Bangladesh. Since a growing number of corporations and the services they offer, are playing a vital role in upholding the economic development of the country, this research has been undertaken to comprehend the need for internal branding and its implications in the service sector of the country. The study attempts the importance and contribution of employees for the success of branding interventions. This qualitative research has been pursued by collecting primary data through semi-structured questionnaire survey with a sample size of 103 professionals in the service sector of the country. The analysis was conducted using SPSS 20.0 that incorporated basic descriptive statistics and crosstab. The analysis reveals that, employee's perceptions about the internal branding practices are influenced by the management interventions and employee's knowledge about the brands of the organization. In this regard, effective internal branding practices also have an impact on the brand performance. Thus the study adds value in the present literature by highlighting the internal branding insights for the employees and indicates the scope of future study on assessing the inter-connections between employee's brand values and the external branding practices of the organization.**

Keywords— **Brand, brand values, internal branding, brand performance, brand knowledge.**

I. Introduction

The concept of Internal branding has developed to highlight the necessity of living the brand that ensures congruity between the brand messages conveyed to external and internal audience (Ahmed & Rafiq, 2003, Mitchell, 20020. Internal branding is referred as a practice where the organization aligns internal processes and brand values with organizational culture (Khan, 2009). Effective internal branding helps shape the employee's awareness, behavior and commitment towards the brand and thus instills a better understanding of the brand among them (Nataranjan et al., 2016, Khan, 2009). Within the research domain of internal marketing, studies concentrating on internal branding stressed on the importance of employee engagement and their identification with the company's goals (Biedenbach & Manzhynski, 2016, Foster et al., 2010).

In today's competitive market, for businesses to be successful, only financial capital is not sufficient, there is an obvious need to build the human capital as well (Holmgren et al., 2003). For progressive business activities, Knowledge about the organization with the employees is an essential factor since it is the dynamic pool of employees and their capability to behave out of the brand values that is directly

linked to the business performance (Hogg et al., 1998). It is therefore fundamental to look inside the organization in order to understand how employee's values and behavior can be aligned with the desired values of the brand (Biedenbach & Manzhynski, 2016, MacLaverty et al., 2008). The purpose of this study is to investigate the perception among the employees in the corporate sector of Bangladesh regarding the approaches and practices of internal branding. In this regard, this study targeted the private service holders in Dhaka city who are serving in different corporate houses. The study explores the relationship between existing internal branding initiatives and the employees' commitment to the brand values and resulting brand performance.

The rest of the paper is designed as follow: section two specifies the research methodology followed by section three that reviews the relevant literature in the field of the study. Section four presents the discussions of the study; concluding remarks, recommendations and future research directions are provided in section five followed by a list of scholarly articles referred in this study.

II. Research Methodology

The population of the study has been selected based on certain criteria. The study targeted the employees in different corporate houses and institutions in Dhaka city with age range from 24 to 50 years and minimum educational qualification as graduate. In order to collect primary data, the study consisted of 103 sample respondents who were selected by applying the non-probabilistic purposive sampling method. Data and information has been collected through questionnaire survey and interviews. To collect the primary data from the respondents, structured questionnaire was designed to assess the respondents' perception regarding internal branding in relation to their demographic background.

Yesmin Sultana
American International University-Bangladesh
Bangladesh,

Tahsina Khan
American International University-Bangladesh
Bangladesh,

The survey questionnaire was designed based on the findings from the pertinent literature and initial interviews with the respondents. In this regard, a reliability test was thought necessary. The Cronbach Alpha testing was used as it is the most well accepted reliability test tools applied by social researchers (Sekaran & Bougie, 2016). The questionnaire used in this research is considered good as its value is 0.956 as shown in Table 1. The analysis of this research was conducted using SPSS 20.0. The analysis incorporated basic descriptive statistics and crosstab analysis.

TABLE I.   RELIABILITY STATISTICS

Cronbach's Alpha	N of Items
.956	34

III. Literature Review

This section of the research focuses on the growing volume of research studies in the subject matter of the study. To do this, first it reviews the brand and branding insights, followed by a brief discussion on the brand values, brand performance and brand commitment literature. Then the study identifies the rationale of the present research to accomplish the research objectives.

A. Brand

A good brand is priceless to any business. A brand can be defined as a set of tangible and intangible attributes designed to create awareness and identity, and to build the reputation of a product, service, person, place, or organization (Sammut-Bonnici, 2014). The aim of branding strategy is to create brands that are differentiated from the competition to reducing the number of perceived substitutes in the marketplace and increase price elasticity, and improve profits (Kotler & Keller, 2003). Branding is endowing products and services with the power of a brand. Branding creates mental structures that help consumers organize their knowledge about products and services in a way that clarifies their decision making and, in the process, provides value to the firm (Kashive & Khanna 2017).

B. Brand Values

Brand value represents what the brand means to a focal company. Brand Value measures perceived quality, the value assigned by consumers to the brand, Brand value is impacted by brand equity to the extent that brand equity contributes to more positive financial outcomes in favor of the brand (ie those that are visible in the marketplace such as purchase) (Kamakura & Russell, 1993). For companies to be able to express their brand values in the best possible way there is a need to instill shared understandings of companies brand values in the hearts and minds of the employees (Juntunen et al., 2010).

C. Internal Branding

When branding is brought under attention, it is focused on the external marketing activities that are directed towards external stakeholder groups such as shareholders or customers. However, there has been a recent development of research articles that studies how to align the employees' attitude and behavior to support the external branding effort, through the development of an "internal brand" that refers to the employee perspective of a brand (Yang et al., 2015). Thus, internal branding is the set of strategic processes that align and empower employees to deliver the appropriate customer experience in a consistent fashion (Pujaiasri et al., 2009).

According to Foster et al. (2010) the central focus of internal branding is on how the employee in the organization embrace the brand concept and live up to the promises that the brand should deliver to its external stakeholders. Thus the aim is to communicate and instill the brand values to employees (Foster et al., 2010, Punjaisri et al., 2009).

D. Internal Branding Implications

In branding literature, the employee role is recognized as crucial in delivering the service as promised by the brand (Punjaisri et al., 2009). Internal branding plays a vital role to enhance relations in organization by taking the brand to the employees, instilling the brand knowledge (Aurand et al., 2005) and transmuting behavior and perception of the employees (Vallaster & de Chernatony, 2006) in favor of brand. Internal branding is facilitated by human resource activities, brand communication and brand centered leadership that in turn, develops the brand commitment of the employees. Literature in the relevant field reveals that employees' brand commitment is regarded as a precursor to the employees' citizenship behavior towards the brand, its performance and to the overall strength of the brand (Burmann & Zeplin, 2005, Burmann et al., 2009, Punjaisri & Wilson, 2007). Employees who retain high knowledge of the brand are considered as 'intellectual capital' of the organization and employees who possess high commitment to the brand are considered its 'emotional capital'. If an organization is willing to improve its image and performance, it has to take proper measures to increase both the intellectual and emotional capital through the employees (Thomson et al., 1999).

In the academic literature, much attention is paid to form and state the brand values, less is paid to how the brand should be communicated and perceived among the employees in order to keep the value of the brand strong (M'zungu et al., 2010). Regardless of the growing interest in internal branding, there has been limited research conducted to explore the attitude of employees on internal branding interventions that encourage brand-supporting behavior. Therefore, this paper aims to unearth the perceptions of the employees who deliver brand values to the customer.

IV. Analysis

This section of the study highlights the demographic background of the sample respondents included in this research, as shown in Table II. Table III summarizes and reveals the results of crosstab analysis by indicating the significance of the internal branding implications in reference to the selected demographic factors, namely – age, income and professional experience. Considering Table II, it is apparent that the sample respondents for this study were comprised 71.8% male and 28.2% female professionals. Among them, 68% respondents are post graduate, 30.1% are

graduate and 1.9% are having MPhil or PhD education. From the perspective of management hierarchy, 56.3% of the respondents belong to mid-level, 40.8% in entry level and 2.9% belong to top level position. While, out of the total respondents, 28.2% have monthly income of 20,000 taka to 40,000 taka and 27.2% employees have monthly income ranging from 40,000 taka to 60,000 taka. To understand the respondents' duration of service, it can be noted that, 25.2% of the employees have a professional experience in between 5 years to 7 years, whereas 24.3% have worked for 7 years to 9 years

TABLE II.   DEMOGRAPHIC CHARACTERISTICS OF THE SAMPLE RESPONDENTS

Demographic Factors	Frequency	Percentage
Gender		
Male	74	71.8
Female	29	28.2
Education		
Graduate	31	30.1
Masters	70	68
MPhil/PhD	2	1.9
Position in Management Hierarchy		
Entry level	42	40.8
Mid-level	58	56.3
Top/Higher level	3	2.9
Respondent's Monthly Income (in BDT)		
Below 20,000	11	10.7
20,000 > 40,000	29	28.2
40,000 > 60,000	28	27.2
60,000 > 80,000	22	21.4
80,000 > 1,00,000	7	6.8
1,00,000 above	6	5.8
Professional Experience		
Below 1 year	8	7.8
1 year > 3 years	14	13.6
3 years > 5 years	18	17.5
5 years > 7 years	26	25.2
7 years - 9 years	25	24.3
10 years and above	12	11.7

Source: Estimated result

If we look at Table II, that presents the crosstab findings based on the data related to employees' perception regarding internal branding implications on the brand commitment, brand knowledge and brand performance. Referring to that, it can be said that, 43.7% of the respondents agreed and 35.9% of the respondents strongly agreed with the fact that they clearly understand the brand promise made to the customers of the company; this is evident in the Pearson Chi-Square, p value of .000 (p<0.05). Again, 46.6% of the respondents agreed with the statement that to ensure positive influence on the company's brand image, they take the responsibility for the task outside of their own area. It is also significant from the research context, where the p value is .011.

Among the respondents, 43.7% agreed with the fact that they have the understanding about how the brands of the company can benefit the customers; the significance of this is observed in the p value, which is .009. While considering providing service for the customers, 50.5% of the respondents strongly agreed and 39.8% of the respondents agreed with the statement that within a standard of our brand image, they always handle their duties/ respond to customers' specific requests (p value is .000). In addition to this, majority of the respondents (78.7%) gave their opinion

by agreeing with the idea that the quality level of their services meets the brand standards of the company. The finding is also significant, as evident from the p value of .007.

Table II, also highlights that, 43.7% of the respondents strongly agree with the fact that they feel very loyal to the company. The finding is evident by P value which is .002. Again a greater majority (around 85.4%) of the respondents opined towards the fact that they can successfully fulfill the responsibilities specified in the job descriptions (p value is .000). In addition to this, 78.4% of the respondents, opined favorably towards the notion that they provide efforts to share the brand knowledge to the new employees of the company (p value is .000).

TABLE III.   EMPLOYEES' PERCEPTION ON INTERNAL BRANDING IMPLICATIONS

Demographic Variable	Significance of internal branding on the brand commitment, brand knowledge and brand performance	P value
Age Income & Professional Experience	It is clear to me what is promised to our customers by the brands of our company	.000
	I take the responsibility for the task outside of my own area if it has a positive influence on the company's brand image	.011
	I understand how our customers can benefit from our brands.	.009
	I always handle my duties/ respond to customers' specific requests within a standard of our brand image	.000
	The quality level of my service meets the brand standards of the company	.007
	I feel very loyal to the company	.002
	I can successfully fulfill the responsibilities specified in my job descriptions	.000
	I try to pass on our brand knowledge to new employees	.000

Source: Estimated result

V. Discussion

To get the recognition as high performers in the competitive market, firms have to realize and uphold the services rendered by their employees. Based on this concept, internal branding has emerged as a fundamental process to align the behaviors of employees with the brand values. With this backdrop, the study reveals that, with the presence of internal branding practices, the employees' loyalty towards the organization increases. This motivates the employees to be knowledgeable about the brands of the company and how these brands benefit the customers. Thus the employees get engaged in the activities including taking additional initiative to enhance the company's brand image and sharing the brand knowledge with their co-workers. This helps them to fulfill their responsibilities properly which in turn develops the service quality of the organization.

Thereby, from the employees' perspective, all these internal branding interventions can positively influence the brand performance of the company. It has been argued in branding literature that the success of branding largely depends on employees' behaviors in delivering the brand to external stakeholders (Schultz & Chernatony, 2002). This

notion is also emphasized in the research of de Chernatony and Segal-Horn (2003) by indicating that a service brand is more likely to succeed when its own employees have confidence in the organizational brand values and act accordingly. Thus, the insights and outcomes of the research are also relevant to the prevailing literature in the domain of internal branding.

VI. Conclusion

Internal branding is still a young research field in its literature. Because of the roles employees play in the branding interventions, the development of a firm's internal brand via internal branding is also significant to a firm and its long-term success. This study is aimed to analyze the perception of employees on the importance of branding practices inside the organization. In this regard, an exploratory research was incorporated by taking surveying 103 professionals from the corporate sector of Bangladesh. By employing basic descriptive statistics, the findings of the study reveal that, the practices of internal branding significantly influence the brand values, brand knowledge and brand commitment of the employees. Additionally, the process of internal branding also shapes the brand citizenship behavior of the employees. From this backdrop, the study adds value in the present literature by manifesting the internal branding insights for the employees and emphasizes the need of future study on evaluating the impact of internal branding activities on the sustainability of external branding practices of the organization.

References

[1] P. K. Ahmed, and M. Rafiq, "Internal marketing issues and challenges," European Journal of marketing, vol. 37, no.9, pp. 1177-1186, 2003.

[2] C. Mitchell, "Selling the brand inside," Harvard business review, vol. 80, no. 1, pp. 99-101, 2002.

[3] M. B. Khan, "Internal Branding: Aligning human capital strategy with brand strategy," Journal of Brand Management, vol. 6, no. 2, pp. 22-36 , 2009.

[4] T. Natarajan, S. A. Balasubramaniam, and T. Srinivasan, "Relationship between internal branding, employee brand and brand endorsement," International Journal of Business and Management, vol. 12, no. 1, 2016.

[5] G. Biedenbach, and S. Manzhynski, "Internal branding and sustainability: investigating perceptions of employees," Journal of Product & Brand Management, vol. 25, no. 3, pp. 296-306, 2016.

[6] C. Foster, K. Punjaisri, and R. Cheng, "Exploring the relationship between corporate, internal and employer branding," Journal of Product & Brand Management, vol. 19, no. 6, pp. 401-409, 2010.

[7] A. Holmgren, L. Schori, and M. Wingård, "Internal Branding-How to make employees live the brand," 2003.

[8] G. Hogg, S. Carter, and A. Dunne, "Investing in people: internal marketing and corporate culture," Journal of Marketing Management, vol. 14, no. 8, pp. 879-895, 1998.

[9] N. MacLaverty, P. McQuillan, and H. Oddie, "Internal branding best practices study," Canadian Marketing Association, 2008.

[10] U. Sekaran, and R. Bougie, "Research methods for business: A skill building approach," John Wiley & Sons, 2016.

[11] T. Sammut-Bonnici, "Brand and branding," 2014.

[12] P. Kotler, and K.L. Keller, "Marketing Management," International edition, Printice Hall, New Jersey, 2003.

[13] N. Kashive, and V.T. Khanna, "Building employee brand equity to influence organization attractiveness and firm performance," International Journal of Business and Management, vol. 12, no. 2, 2017.

[14] W.A. Kamakura, and G.J. Russell, "Measuring brand value with scanner data, "International journal of Research in Marketing, vol. 10, no. 1, pp. 9-22, 1993.

[15] M. Juntunen, S. Saraniemi, M. Halttu, J. Tähtinen, "Corporate brand building in different stages of small business growth," Journal of brand Management, vol. 18, no. 2, pp. 115-133, 2010.

[16] J. T. Yang, C. S. Wan, and C. W. Wu, "Effect of internal branding on employee brand commitment and behavior in hospitality," Tourism and Hospitality Research, vol. 15, no. 4, pp. 267-280, 2015.

[17] K. Punjaisri, A. Wilson, and H. Evanschitzky, "Internal branding to influence employees' brand promise delivery: a case study in Thailand," Journal of Service Management, vol. 20, no.5, pp. 561-579, 2009.

[18] T.W. Aurand, L. Gorchels, and T.R. Bishop, "Human resource management's role in internal branding: an opportunity for cross-functional brand message synergy," Journal of Product & Brand Management, vol. 14, no. 3, pp. 163-169, 2005.

[19] C. Vallaster, and L. D. Chernatony, "Internal brand building and structuration: the role of leadership," European Journal of Marketing, vol. 40, no.8, pp. 761-784, 2006.

[20] C. Burmann, and S. Zeplin, "Building brand commitment: A behavioral approach to internal brand management," Journal of brand management, vol.12, no. 4, pp. 279-300, 2005.

[21] C. Burmann, S. Zeplin, and N. Riley, "Key determinants of internal brand management success: An exploratory empirical analysis," Journal of Brand Management, vol. 16, no. 4, pp. 264-284, 2009.

[22] K. Punjaisri, and A. Wilson, "The role of internal branding in the delivery of employee brand promise," Journal of Brand Management, vol. 15, no. 1, pp. 57-70, 2007.

[23] K. Thomson, D. L. Chernatony, L. Arganbright, and S. Khan, "The buy-in benchmark: How staff understanding and commitment impact brand and business performance," Journal of Marketing Management, vol. 15, no. 8, pp. 819-835, 1999.

[24] S. D. M'zungu, B. Merrilees, and D. Miller, "Brand management to protect brand equity: A conceptual model," Journal of Brand management, vol. 17, no. 8, pp. 605-617, 2010.

[25] M. Schultz, and L. de Chernatony, "Introduction the challenges of corporate branding'," Corporate Reputation Review, vol. 5 no. 2/3, pp.105-112, 2002.

[26] L. de Chernatony, and S. Segal-Horn, "The criteria for successful services brands," European Journal of Marketing, vol. 37, no. 7/8, pp. 1095-1118, 2003.

About Author (s):

Yesmin Sultana has been pursuing her PhD from Institute of Business Administration (IBA), University of Dhaka on Corporate Governance. She has enriched corporate experiences in Telecommunication Industry for more than 12 years. Currently she is serving as Assistant Professor in Department of Marketing, American International University Bangladesh (AIUB). She has more than 4 years of teaching experiences in Marketing courses. She has published several articles in various reputed journals. She is also involved with corporate training for industry professionals. Her preferred research areas are corporate governance, Strategic Brand Management and Islamic banking.

Tahsina Khan is serving as Senior Assistant Professor in Department of Marketing at American International University-Bangladesh (AIUB). She received her Masters in Business Administration in Marketing from AIUB, and completed her Bachelor in Business Administration in Finance. She joined the university in May 2009. During these years, she has been associated with several academic projects like course curriculum and content development for introducing new major courses in Marketing which are initiated by AIUB and funded by Swiss-contact Katalyst. Her preferred research areas include services marketing, strategic marketing and development studies. Currently she has been pursuing her MPhil studies in Bangladesh University of Professionals in the field of Rural Marketing.