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**EMPLOYEES AS BRAND BUILDERS: A MULTILEVEL APPROACH
TO INTERNAL BRANDING**

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ZAPOSLENI KOT SOUSTVARJALCI BLAGOVNE ZNAMKE: VEČNIVOJSKI PRISTOP K NOTRANJEMU BRANDINGU

Povzetek

Notranji branding je proces, ki omogoči uresničitev obljube blagovne znamke in vpliva na uskladitev vedenja zaposlenih z blagovno znamko. Čeprav so zaposleni v procesu prepoznani kot soustvarjalci močnih blagovnih znamk, obstaja premalo ugotovitev, kako prakse notranjega brandinga na organizacijskem nivoju vplivajo na zaposlene v povezavi z blagovno znamko. Kot ustrezno metodo za konceptualizacijo in analizo teh odnosov uporabimo večnivojski pristop. Glavni namen doktorske naloge je torej raziskati proces notranjega brandinga, upoštevati večnivojski vidik in proučiti njegov vpliv na zaposlene.

Prvi članek se osredotoča na implementacijo notranjega brandinga prek vodenja vrhnjega menedžmenta. Vodenje, usmerjeno v blagovno znamko, proučimo kot pomemben dejavnik, ki posredno vpliva na pripadnost zaposlenih blagovni znamki. Poleg tega raziščemo tri mediatorje med vodenjem in pripadnostjo. V vzorec vključimo 226 zaposlenih iz mednarodne hotelske verige. Na podlagi rezultatov ugotovimo, da so znanje zaposlenih o blagovni znamki, ujemanje med zaposlenim in blagovno znamko ter uresničitev psihološke pogodbe mediatorji med vodenjem vrhnjega menedžmenta in pripadnostjo zaposlenih. V raziskavi izpostavimo vodenje kot pomembno aktivnost notranjega brandinga pri doseganju čustvene navezanosti zaposlenih na blagovno znamko. Za povečanje pripadnosti mora vodstvo spodbuditi zaposlene k pridobivanju znanja o blagovni znamki, poistovetenju z vrednotami blagovne znamke in zaznavi, da je njihova psihološka pogodba uresničena. Ker v raziskavi prvega članka proučimo proces notranjega brandinga zgolj kot zaznavo zaposlenih na individualnem nivoju, v drugi raziskavi (članki 2, 3 in 4) zberemo podatke na dveh ravneh (zaposleni in prodajni saloni), kar nam omogoči večnivojsko analizo notranjega brandinga.

V drugem članku proučimo implementacijo notranjega brandinga prek praks menedžmenta človeških virov (v nadaljevanju prakse MČV), ki so usmerjene v blagovno znamko. Oblikujemo in preverimo model, ki povezuje prakse MČV z znanjem zaposlenih o blagovni znamki in njihovimi vedenji. Na podlagi socialno-kognitivne teorije predpostavimo, da zaposlovanje, izobraževanje in ocenjevanje uspešnosti posredno vplivajo na vedenja zaposlenih, in sicer prek njihovega znanja o blagovni znamki. Zaposlovanje in ocenjevanje uspešnosti tudi neposredno vplivata na vedenja zaposlenih. Obstoječo literaturo nadgradimo s prenosom splošnih praks MČV na področje brandinga. Prav tako proučimo njihov vpliv na znanja in vedenja zaposlenih v večnivojskem okolju. Podatke za raziskavo zberemo na več ravneh, saj vključimo 117 zaposlenih in 35 vodij iz prodajnih salonov avtomobilov. Rezultati nakazujejo, da ima znanje o blagovni znamki posredovalno vlogo med izobraževanjem in pričakovanim vedenjem, ki je skladno z blagovno znamko, ter izobraževanjem in sodelovanjem zaposlenih pri razvoju blagovne znamke. Poleg tega zaposlovanje neposredno vpliva na pričakovano vedenje zaposlenih, ocenjevanje uspešnosti pa neposredno vpliva na nadpričakovano vedenje zaposlenih, ki je usmerjeno v kupca.

Raziskava tretjega članka prispeva k razumevanju procesa notranjega brandinga na ravni zaposlenih in njegovega vpliva na prodajne rezultate. Na podlagi socialno-kognitivne teorije razvijemo in empirično preverimo model, ki prek vedenjskih mediatorjev povezuje znanje zaposlenih o blagovni znamki z njihovo prodajno uspešnostjo. Prav tako proučimo večnivojski interakcijski vpliv razreda blagovne znamke na odnos med znanjem in vedenjem zaposlenih. Hipoteze preverimo s pomočjo podatkov, zbranih med prodajalci novih avtomobilov in njihovimi vodjami. V raziskavi ugotovimo, da znanje zaposlenih posredno in pozitivno vpliva na njihovo uspešnost prodaje, s tem da pričakovano in nadpričakovano vedenje zaposlenih delujeta kot mediatorja. Za luksuzne blagovne znamke je odnos med znanjem in nadpričakovanimi vedenji zaposlenih močnejši kot pri blagovnih znamkah nižjega razreda. Obstoječo literaturo nadgradimo z ugotovitvami, da notranji branding pomembno prispeva k prodajni uspešnosti zaposlenih in da so luksuzne blagovne znamke v primerjavi z blagovnimi znamkami nižjega razreda uspešnejše v notranji gradnji blagovne znamke.

V četrtem članku poglobljeno proučimo znanje zaposlenih o blagovni znamki. Gre za koncept, ki ima zelo pomembno vlogo v notranjem branding, a je do sedaj prejel premalo pozornosti. V raziskavi opredelimo tri elemente znanja. To so zavedanje blagovne znamke, podoba blagovne znamke in jasnost vloge zaposlenega pri uresničevanju blagovne znamke. Poleg tega proučimo vpliv elementov na posledice notranjega brandinga. Podatke za raziskavo smo pridobili v avtomobilskih prodajnih salonih in izvedli analizo na ravni zaposlenih. Prodajalci novih avtomobilov so posredovali informacije o njihovem znanju, vedenjih in identifikaciji z blagovno znamko, medtem ko so njihovi vodje poročali o nadpričakovanem vedenju zaposlenih in njihovi uspešnosti prodaje. Na podlagi rezultatov smo ugotovili, da obstajajo različni elementi in tipi znanja, prav tako se njihovi vplivi na vedenja, identifikacijo in uspešnost prodaje razlikujejo. Jasnost vloge zaposlenih vodi v njihovo pričakovano vedenje, priporočila, nadpričakovano vedenje in višjo uspešnost prodaje. Podoba, ki jo ima zaposleni o blagovni znamki, vodi v večjo jasnost vloge, pričakovano vedenje, sodelovanje pri razvoju blagovne znamke, priporočila in identifikacijo z blagovno znamko. Objektivno merjeno zavedanje blagovne znamke pa vodi v boljšo podobo, ki jo ima zaposleni o blagovni znamki, in v njegovo nadpričakovano vedenje, ki je usmerjeno v kupca.

Glavna prispevka doktorske naloge sta opredelitev v blagovno znamko usmerjenega vodenja in praks MČV kot možnih strategij za implementacijo notranjega brandinga ter proučevanje njihovih vplivov na znanje, pripadnost in vedenja zaposlenih. Poleg tega ugotovimo, da notranji branding prispeva k večji uspešnosti prodaje zaposlenih in da je odnos med znanjem in nadpričakovanimi vedenji zaposlenih močnejši pri luksuznih blagovnih znamkah kot pri blagovnih znamkah nižjega razreda. Poleg tega konceptualno in mersko nadgradimo konstrukt znanja zaposlenih o blagovni znamki, ki ima osrednjo vlogo pri uspešni implementaciji notranjega brandinga.

Ključne besede: notranji branding, večnivojski pristop, blagovna znamka, znanje zaposlenih o blagovni znamki, posledice notranjega brandinga.

EMPLOYEES AS BRAND BUILDERS: A MULTILEVEL APPROACH TO INTERNAL BRANDING

Summary

Internal branding is a process that helps organizations to turn brand's promises into reality by aligning employee behaviors with the brand. Although employees are recognized in the process as building blocks of strong brands, there is a lack of understanding how internal branding practices at the organizational level contribute to the development of important brand-related outcomes at the employee level. A multilevel approach is applied as an appropriate method to conceptualize and analyze these relations. Thus, the primary aim of this dissertation is to study the process of internal branding, consider its multilevel context, and examine the effects on employees.

Article 1 focuses on the implementation of internal branding through leadership of top management. Brand-oriented leadership is explored as an important driver that indirectly affects employees' brand commitment. Moreover, three mediators are examined in relation to how brand-oriented leadership affects brand commitment. A sample of 226 hospitality employees working in an international hotel chain is used. The results indicate that employee brand knowledge, employee-brand fit, and psychological contract fulfillment fully mediate the relationship between leadership and commitment. The results support the importance of top management's leadership in internal branding and its role in achieving employees' emotional attachment to the brand. However, for leadership to enhance commitment, leaders must compel employees to possess brand-relevant knowledge, share similar brand values, and perceive their psychological contract as being fulfilled. While in the first study (Article 1) we investigate internal branding as employee perceptions at the individual level, in the second study (Articles 2, 3, and 4) we collect data at multiple levels, i.e., employee and dealer levels, which enables a multilevel analysis of internal branding.

In Article 2, we explore the implementation of internal branding through brand-oriented HR practices. We design and test a model linking brand-oriented HR practices to brand knowledge and brand behaviors of service employees. Drawing on social learning theory, we propose that brand-oriented training, recruitment, and performance appraisal indirectly enhance frontline employee brand behaviors through brand knowledge. Recruitment and appraisals also enhance brand behaviors directly. The existing knowledge in internal brand management is advanced by applying general HR practices to the branding context and studying their influence on brand knowledge and brand behaviors in a multilevel setting. We collect multi-level and multi-source data (117 frontline employees and 35 supervisors) from automobile dealerships. The results show the mediating role of brand knowledge between brand-oriented training and in-role behavior, and training and participation in brand development. Moreover, brand-oriented recruitment directly influences in-role behavior, and brand-oriented performance appraisal directly influences customer-oriented extra-role behavior.

The study in Article 3 contributes to our understanding of the internal branding process at the employee level and its impact on sales results. Drawing on social learning theory, a model linking employees' brand knowledge to sales performance via brand-related behavioral mediators is developed and tested. Also, the cross-level interaction effect of brand class on the knowledge-behavior relationship is examined. Using multi-level and multi-source data from automobile dealerships, this study shows that knowledge indirectly and positively influences employees' sales performance, with in-role brand behavior and customer-oriented behavior as mediators. Moreover, for luxury brands, the relationship between brand knowledge and extra-role brand behaviors is stronger than for lower class brands. The existing literature is advanced by showing that internal branding makes significant contributions to employee's sales performance and that luxury brands are more successful in building the brand among employees than are lower class brands.

Article 4 aims to unveil the complexity of employee brand knowledge, a concept of great importance in internal branding which has received limited attention by researchers. Insufficient attention has been dedicated to the dimensions and types of employee brand knowledge and their differential effects on behaviors. In this study, we conceptualize three components of employee brand knowledge: employee brand awareness (objective and subjective), employee brand image (subjective), and role clarity or knowledge about desired brand behaviors (subjective), and examine their impact on employee brand-related outcomes. Research is conducted within the context of automotive dealerships. Only single-level analysis at the employee level is applied. Salespeople of new cars provided information on brand knowledge, behaviors, and identification, while their supervisors reported employee customer-oriented extra-role behavior and employees' sales performance. Results indicate that different components and types of employee brand knowledge exist. However, their effects on brand behaviors, brand identification, and sales performance vary. Employee role clarity influences in-role brand behavior, employee word-of-mouth, customer-oriented extra-role behavior, and sales performance. Employee brand image impacts role clarity, in-role brand behavior, participation in brand development, word-of-mouth, and brand identification. Lastly, objective brand awareness drives brand image and customer-oriented extra-role behavior.

Main contributions of the dissertation are defining brand-oriented leadership and brand-oriented HR practices as implementation strategies of internal branding and exploring their effects on employee brand knowledge, brand commitment, and brand behaviors. Moreover, we show that internal branding contributes to higher sales performance of employees and that knowledge-behavior relationship is stronger for luxury brands than for lower class brands. We also conceptually and methodologically advance the construct of employee brand knowledge which has a central role in successful internal branding implementation.

Keywords: internal branding, multilevel approach, brand, employee brand knowledge, consequences of internal branding.

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INTRODUCTION

Description of the research area and purpose of the study

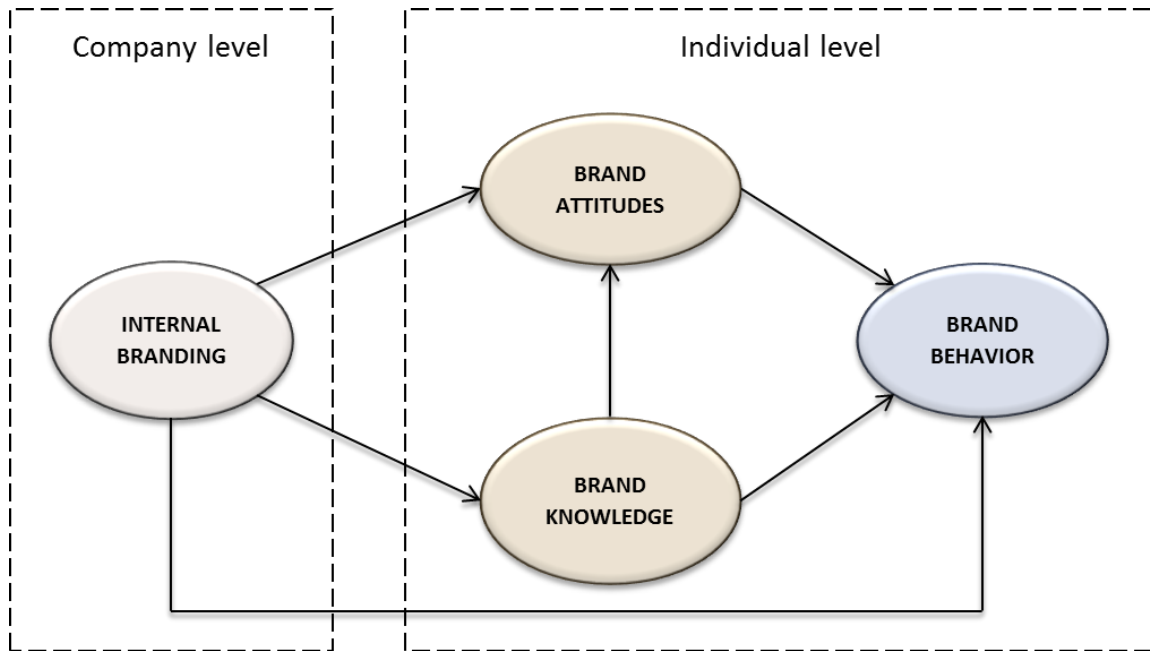
Over the past few years, branding literature has shifted its focus from customers to employees, as they contribute significantly to brand success. The new branding model emphasizes creating brand value through employees' involvement in brand building (de Chernatony, 1999). One of the essential success factors in brand management is internal branding, the process that influences employee behaviors and attitudes with the intention to align them with the brand. Consequently, consistent brand image, brand promise delivery, and higher customer satisfaction can be achieved (Punjaisri, Wilson, & Evanschitzky, 2009b; Vallaster & de Chernatony, 2006). Therefore, it is not surprising that this process is gaining attention in the academic and business worlds (Baker, Rapp, Meyer, & Mullins, 2014; Bergstrom, Blumenthal, & Crothers, 2002; de Chernatony & Cottam, 2006; Miles & Mangold, 2005; Morhart, Herzog, & Tomczak, 2009; Punjaisri & Wilson, 2007; Sartain, 2006).

To better understand internal branding, the process needs to be addressed in a broader marketing context. For years, key marketing activities were mostly directed at customers, but a significant shift has happened. Internal marketing activities started to complement external activities and became prerequisites for successful external marketing (Barnes, Fox, & Morris, 2004). One of the first authors that advocated employees as internal customers was Berry (1981). He acknowledged that by satisfying the needs of employees, a company would be in a better position to retain satisfied customers (Ballantyne, 2000; Barnes et al., 2004; Lings, 2004; Pappasolomou & Vrontis, 2006). While internal marketing is comprised of general marketing-like activities oriented towards making employees a customer-conscious workforce, internal branding is about promoting the brand internally and educating employees about brand identity (Aurand, Gorchels, & Bishop, 2005; Pappasolomou & Vrontis, 2006; Vallaster & de Chernatony, 2006). Besides aligning employee behaviors with brand standards, internal branding is also about transforming employees into brand ambassadors (Ind, 2007; Morhart et al., 2009).

Punjaisri and Wilson (2011) defined internal branding as activities undertaken by an organization that ensure the enactment and delivery of brand promise by employees. Because it is a relatively novel concept in marketing literature, there is a lack of understanding about what strategies and activities organizations should follow to implement internal branding. Moreover, scholars must gain more knowledge regarding employee-related cognitive, attitudinal, and behavioral consequences of internal branding. Although an increasing number of academics and practitioners (de Chernatony, 2010; Miles & Mangold, 2005; Morhart et al., 2009; Punjaisri et al., 2009b) are recognizing employees as building blocks of strong brands, there is a lack of knowledge of how internal branding practices at the organizational level

contribute to the development of employee brand knowledge, brand attitudes, and brand behaviors at the employee level. Therefore, the aim of this dissertation is to explore the process of internal branding as a valuable constituent of brand success. The conceptual framework of the internal branding process is presented in Figure 1.

Figure 1. The framework of the internal branding process



Research questions addressed in the dissertation

Implementation of internal branding and a multilevel approach

While some models and frameworks of internal branding exist, a lack of understanding of the underlying mechanisms is still present. Some authors acknowledge internal communication as a vital part of internal branding implementation (Bergstrom et al., 2002), but others argue that a more holistic approach is necessary (Burmamann & Zeplin, 2005; Foster, Punjaisri, & Cheng, 2010; Punjaisri, Evanschitzky, & Wilson, 2009a). The study by Morhart et al. (2009) emphasized that leaders can significantly elicit employee brand behavior. First, they can act as role models by living the brand values. Second, they can actively support employees to internalize the brand. Moreover, brand-oriented leadership comprises several levels of management. We predict that the influence of top management differs from the roles of middle management and direct supervisors (Day & Harrison, 2007); therefore, in our study we focus on the leadership of top management.

Besides the importance of internal brand communication and brand-supporting leadership (Morhart et al., 2009; Vallaster & de Chernatony, 2006), the importance of recruiting employees who share similar or even the same values as the brand should not be ignored

(Foster et al., 2010). De Chernatony (2010) argued that companies should accept recruitment decisions based on employees' personal values and not merely on their technical skills. In his opinion, values predominantly determine employee brand-related behavior and are difficult to change. Similar implications are evident in organizational culture literature (e.g., Barney, 1986; Cameron & Quinn, 2011). From the literature review on HRM, we recognize commitment-based HR practices as possible internal branding activities as well. An increasing number of researchers and practitioners stress the necessity of integrating marketing and HRM areas (Aurand et al., 2005; Punjaisri et al., 2009a, 2009b).

Since internal branding manifests at one level and then impacts lower levels, the introduction of a multilevel approach is necessary to understand the underlying mechanisms (Klein & Kozlowski, 2000). Although multilevel research is seldom used in marketing, its application to this field could offer novel insights (Wieseke, Lee, Broderick, & Dawson, 2008). Because internal branding requires the integration of separate fields, i.e., marketing, management, and HRM, we take on an interdisciplinary approach that can provide enhanced strategies for brand management and introduce new theoretical foundations. In conclusion, we explore brand-oriented HR practices (brand-oriented recruitment, brand-oriented training, and brand-oriented performance appraisal) and brand-oriented leadership as possible activities for internal branding implementation. Moreover, we apply a multilevel perspective to explore the mechanisms at higher levels and how they influence employees at the individual level. Based on the above discussion:

RQ1: What is the role of brand-oriented HR practices and brand-oriented leadership of top management in internal branding?

Influence of internal branding on employee brand-related outcomes

Existing literature presents different employee-related outcomes of internal branding, for example, employee brand identification, brand commitment, brand loyalty, brand behaviors, and brand performance (Baumgarth & Schmidt, 2010; Burmann, Zeplin, & Riley, 2009; King & Grace, 2012; Morhart et al., 2009; Punjaisri et al., 2009b). This dissertation explores three aspects, cognitive, attitudinal, and behavioral, to provide a more holistic model of internal branding and to clarify the development of employee brand behaviors. By analyzing employee-based outcomes, we address the importance of employees as crucial brand ambassadors and deliverers of brand promise.

Brand-oriented leadership has been proposed to influence employee brand commitment (Burmann & Zeplin, 2005; Burmann & König, 2011). Brand-oriented leaders facilitate brand commitment by acting as role models and regularly communicating in a manner that supports the desired brand identity. Although the behavior of top managers is perceived to be one of the crucial internal branding tools (Burmann & Zeplin, 2005; Vallaster & de Chernatony, 2006), there has been very little research exploring the distinctive role of top managers and

how their brand-oriented leadership affects followers' level of commitment to the brand. Moreover, Miles & Mangold (2005) emphasized the importance of the critical mediators between internal branding and positive employee-related outcomes, such as employee brand commitment. Therefore, we explore the potential role of three mediators: employee brand knowledge, employee-brand fit, and psychological contract fulfillment. We pose the next research question.

RQ2: What is the relationship between brand-oriented leadership of top management, employee brand knowledge, employee-brand fit, psychological contract, and employee brand commitment?

Hinkin and Tracey (2010) reported on several practices that cause *Fortune*'s best companies to be great and successful. These practices are, among others, the development of a strong culture among employees, training programs that are oriented toward understanding the brand culture, and attracting potential employees that feel high congruence with the organizational values. Therefore, we consider brand-oriented HR practices that reflect internal branding efforts as important contributors to the development of a strong brand culture. In particular, we are interested in tackling how and which brand-oriented HR practices enhance employees' brand behaviors. We examine the direct and indirect effects of individual brand-oriented HR practices on in-role and extra-role brand behaviors, with employee brand knowledge as a mediating factor. Thus, the third research question is as follows.

RQ3: What is the relationship between brand-oriented HR practices, employee brand knowledge, and employee brand behaviors?

Although the main objective of the internal branding process is to ensure brand-aligned behaviors of sales personnel (Baker et al., 2014; Punjaisri et al., 2009b), firms' ultimate goal of such encounters is sales increases. Past studies in services and internal branding have urged researchers to include outcomes like sales as consequences of employee brand behaviors (e.g., Auh, Menguc, & Yung, 2014), but to date no research has studied specifically that aspect of branding influence. Therefore, in our study we examine how organizations can ensure employee behaviors that reflect the brand and reinforce positive customers' responses in terms of higher sales performance. Accordingly:

RQ4: Does the internal branding process enhance employee sales performance, and if so, how?

Employee brand knowledge

To be successful in transforming employees into brand advocates, employees must have knowledge about brand identity and the desired brand image they want to project to customers (Miles & Mangold, 2005). They also need knowledge of the desired brand

behaviors, as these behaviors enable employees to deliver the brand promise (Piehler, King, Burmann, & Xiong, 2016; Xiong, King, & Piehler, 2013). We consider employee brand knowledge as one of the most important mediators in the internal branding process. It links internal branding activities with employee brand commitment and employee brand behaviors. Although this is an essential concept, past studies have offered limited understanding of its conceptualization and its role in internal branding. Therefore, we delve deeper into the roots of employee brand knowledge to provide theoretical and empirical refinements.

While consumer brand knowledge has a strong theoretical foundation in the marketing literature (Keller, 1993), findings on employee brand knowledge are scarce. There is limited knowledge regarding components and types of employee brand knowledge with differential effects on employee behaviors. Also, the conceptualization needs further refinement. Keller (2003, p. 596) defined brand knowledge as a “cognitive representation of the brand” in one’s memory, perceived it as an antecedent to an individual’s behavior, and considered it a consequence of marketing activities (Keller, 1993). In our study, Keller’s definition of brand knowledge and brand identity serve as the foundations for further conceptual development of employee brand knowledge. We follow these research questions:

RQ5a: What is the definition of employee brand knowledge?

RQ5b: Which components constitute employee brand knowledge?

RQ5c: Do components of employee brand knowledge have differential effects on employee brand-related outcomes?

Structure of the dissertation

The dissertation is structured in the following manner. After the introduction, Article 1 presents brand-oriented leadership of top management as an approach to internal branding implementation. The effect on employee brand commitment is explored, with brand knowledge, employee-brand fit, and psychological contract as mediators. In Article 2, a multilevel approach to investigating the relationship between brand-oriented HR practices and employee brand behaviors is applied. Further, Article 3 examines the internal branding process at the employee level. In particular, we explore the effect of employee brand knowledge on sales performance through brand behaviors as mediators. In addition, brand class is predicted as an important moderator in the knowledge–behavior relationship. Refinements on conceptualization and measurement of employee brand knowledge are presented in Article 4. Lastly, we outline a discussion of the main findings of the dissertation, theoretical and practical implications, limitations of the dissertation, and future research directions.

1 INTERNAL BRANDING PROCESS: EXPLORING THE ROLE OF MEDIATORS IN TOP MANAGEMENT'S LEADERSHIP – COMMITMENT RELATIONSHIP¹

Abstract

In high customer-contact services, employees are an imperative part of a company's service quality. While the effect of employee commitment on brand-supportive behaviors has already been studied, it remains unclear what drives employees' brand commitment. This study explores the brand-oriented leadership of top management as an important driver of internal branding process and an indirect predictor of employees' commitment. Moreover, three mediators are examined in relation to how brand-oriented leadership affects brand commitment. Using a sample of 226 hospitality employees working in a European hotel chain, our results indicate that employee brand knowledge, employee-brand fit, and psychological contract fulfillment fully mediate the relationship between brand-oriented leadership and brand commitment. The results support the importance of top management's leadership in internal branding and its role in achieving employees' emotional attachment to the brand. We also suggest that, for leadership to enhance commitment, leaders must compel employees to possess brand-relevant knowledge, share similar brand values, and perceive their psychological contract as being fulfilled.

Keywords: top management's brand-oriented leadership, employee brand knowledge, employee-brand fit, psychological contract, brand commitment.

1.1 Introduction

In the field of hospitality, the service-dominant industry, employees are regarded as essential building blocks of service quality and a strong hotel brand. As they represent the interface between organization's internal and external environment, the alignment of their cognitions, perceptions, and attitudes with the brand becomes a crucial success factor. Moreover, with fiercer competition among hospitality organizations, there is a need for a more committed workforce to provide high quality services (Clark, Hartline, & Jones, 2009). Thus, an increasing amount of attention has been paid to exploring the antecedents of employee brand commitment, which is one of the main drivers of employee brand-building behaviors, authentic brand delivery, and consistent brand image of the organization (Burmah & Zeplin, 2005; Kim & Brymer, 2011; Punjaisri et al., 2009b; Xiong et al., 2013).

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Internal branding, in particular brand-oriented leadership, has been proposed to influence employee brand commitment (Burmamann & Zeplin, 2005; Burmamnann & König, 2011). Brand-oriented leaders facilitate brand commitment by acting as role models and regularly communicating in a manner that supports the desired brand identity. In drawing the line between this study and other (brand) leadership research, this study identifies the role of top managers and their brand-supporting leadership to achieve employees' emotional attachment to the brand, particularly in the hotel industry. While brand-oriented leadership has been conceptually and empirically linked to employee brand commitment, only a direct relationship was presupposed (e.g., Burmamnann et al., 2009). And although the behavior of top managers is perceived as one of crucial internal branding tools (Burmamnann & Zeplin, 2005; Vallaster & de Chernatony, 2006), there has been very little research exploring a distinctive role of top managers and how their brand-oriented leadership affects followers' level of commitment to the organizational brand.

Therefore, the first objective of this study is to integrate top management's brand-oriented leadership and employee commitment to the organizational brand in the context of the hospitality industry. Our research is the first empirical study to explore the role of top managers in the internal brand building process, whereas previous research addressed the impact of general brand-oriented leadership, with no in-depth investigation of how different leadership levels (for example, top management's level) influence employee commitment (e.g., Burmamnann et al., 2009; Morhart et al., 2009; Wallace, de Chernatony, & Buil, 2013). Moreover, our study explains how top managers influence employee brand commitment in the context of hospitality. By addressing the impact of top managers' brand-oriented leadership on employee brand commitment, we address very important issues: to what extent and how the behavior of top managers matters in the internal branding process.

In hospitality, where the brand experience is co-created by both customers and employees, frontline employees have a significant impact on how customers perceive the brand. Positive brand experience can be established by hospitality employees that are truly committed to the organizational brand and consequently enact pro-brand behaviors. Thus, there is a necessity of an internal structure that stimulates employees' positive brand attitudes (Xiong et al., 2013). Leaders, in particular top managers, are the primary influential models of the brand for every organizational member (Kim & Brymer, 2011). Management's support, role modeling, and inspiring communication allow employees to establish a bond with a brand (Wallace et al., 2013). If employees perceive that top managers believe in brand values and demonstrate consistent brand behaviors (i.e., "walk the talk"), it is more likely that employees will accept the brand and align their attitudes accordingly (Lee, Almanza, Jang, Nelson, & Ghiselli, 2013).

Employee buy-in (i.e., when organization's brand values are deeply rooted in the minds of employees) constitutes a sustainable competitive advantage for service organizations (Wallace et al., 2013; Wieseke, Ahearne, Lam, & Dick, 2009). Since hospitality industry is

particularly service and people oriented, the role of top management is a key success factor when managing human resources. Top managers provide guidance to their employees and act as role models (Kara, Uysal, Sirgy, & Lee, 2013). They are responsible for creating the brand culture, sharing brand vision, and instilling brand values among employees (Lee et al., 2013). Failure of adequate leadership in hospitality can be very costly. It can lead to employee distrust, low performance, customer dissatisfaction, and profit loss, which can severely endanger organization's success (Kara et al., 2013). Leaders are therefore indispensable in instilling an organization's brand values and vision to frontline employees (Wallace et al., 2013).

While past studies found a direct relationship between leadership and employee commitment, we expect to find an indirect effect of top management's leadership on employee brand commitment because the influence of top leaders is very different from the influence of direct supervisors and middle managers (Hart & Quinn, 1993; Katz & Kahn, 1978). Top management assumingly impacts frontline employees indirectly through different processes and levels, since they have fewer personal contacts with employees on a regular basis.

Secondly, we clarify the development of employee commitment to the organizational brand and provide additional insight into internal branding process. While past studies have emphasized the direct influence of brand-oriented leadership on employee commitment (Burmamann & Zeplin, 2005; Burmamann et al., 2009; Vallaster & de Chernatony, 2005; Vallaster & de Chernatony, 2006; Wallace, de Chernatony, & Buil, 2011; Wallace et al., 2013), we propose fully mediated paths. We identify the potential role of three mediators: employee brand knowledge, employee-brand fit, and psychological contract fulfillment. We find support for the mediation model in the management literature, in which different mediators (for example, psychological empowerment, reduction of role stress, job satisfaction, and quality of working life) between leadership and employee commitment were found (e.g., Avolio, Zhu, Koh, & Bhatia, 2004; Dale & Fox, 2008; Kara et al., 2013; Kim & Brymer, 2011). Moreover, Miles and Mangold (2005) emphasize the importance of the critical mediators between internal branding and positive employee-related outcomes, such as employee commitment to the organizational brand.

Overall, this study contributes to the literature by conceptually and empirically showing that brand-oriented leadership of top management influences employee brand commitment indirectly via three very important mediators. The results of this research also add to a more comprehensive understanding of brand-oriented leadership as it relates to employee brand commitment in the context of hospitality.

1.2 Theoretical background

1.2.1 Role of leadership in the hospitality industry

Leadership has a significant meaning as a management tool because, if used properly, it can enhance positive relationships with employees, influence their attitudes and behaviors, and increase service performance (Kara et al., 2013; Liao & Chuang, 2007; Vallaster & de Chernatony, 2005). In past research, managers' leadership behaviors have been linked to service quality (Church, 1995), employees' commitment (Avolio et al., 2004; Burmann & Zeplin, 2005; Clark et al., 2009; Kim & Brymer, 2011; Lok & Crawford, 1999; Wallace et al., 2013), organizational learning (e.g., Vera & Crossan, 2004), employee performance (e.g., Lowe, Kroeck, & Sivasubramaniam, 1996; MacKenzie, Podsakoff & Rich, 2001; Vigoda-Gadot, 2007), and brand-building behaviors (Morhart et al., 2009; Punjaisri et al., 2009b). Moreover, leadership has been identified as a major element in the managerial roles of hospitality managers and related to many individual outcomes in the hospitality industry (Tracey & Hinkin, 1996; Worsfold, 1989).

A key element of success for a hospitality organization is for managers to motivate their employees to be engaged, to support the organizational goals, and to deliver on the expectations of customers (Kara et al., 2013). In their study, Testa & Sipe (2012) identify communication, role modeling, and inspiration among the essential leadership behaviors in the hospitality industry in order to successfully guide their employees. Hinkin and Tracey (1994) provide evidence that transformational leadership impacts employee satisfaction and clarifies the direction and mission of the organization. Thus, past research has clearly established the importance of leadership (in particular transformational leadership) in the hospitality industry (Asree, Zain, & Rizal, 2010; Brownell, 2010; Kara et al., 2013; Patiar & Mia, 2009; Tracey & Hinkin, 1996; Wang, Tsai, & Tsai, 2014; Worsfold, 1989).

1.2.2 The model of the internal branding process

One of the early works on the internal branding process is a conceptual model by Miles and Mangold (2004, 2005). They argue that internal branding enables a company to clearly position its brand in the mind of employees and drives employee internalization of brand values. The foundation of the process is a well-defined brand identity that includes brand vision, values, and promises. Messages transmitted within the organization should clearly convey this brand identity and communicate the expected employee attitudes and behaviors. Messages should be delivered frequently and consistently through all channels. Authors propose several important sources of brand messages, among which are also leaders/managers. However, the purpose of their study was to conceptualize a general model of internal branding process, thus the impact of specific sources (e.g., leadership of top managers) on employees is still unclear.

Effective and consistent communication that reflects brand identity can accomplish the following. Firstly, it enables employees to gain brand knowledge and understand the brand. Secondly, it upholds the psychological contract between the organization and the individual employee. Thirdly, it drives employee internalization of brand values. While brand

knowledge enables employees to understand the brand and desired behaviors, fulfillment of the psychological contract and internalization of brand values motivate employees to project the desired brand to customers. As a result of employee brand knowledge, upheld psychological contract, and employee-brand fit, several favorable consequences at the employee level emerge (Miles & Mangold, 2005). These include enhanced employee commitment to the brand, increased employee satisfaction, reduced staff turnover, and consistent employee brand behavior.

1.2.3 Brand-oriented leadership of top management

There are several important sources of brand messages. Authors such as Burmann and König, 2001, Miles and Mangold (2004, 2005), Morhart et al. (2009), and Vallaster and de Chernatony (2006) consider leadership to be an important source of internal branding. While management literature offers a wide range of leadership styles (Bass & Stogdill, 1990; Sosik & Godshalk, 2000), researchers in internal brand management propose transformational leadership with an emphasis on the brand as the most effective in implementing internal branding and generating brand commitment. Transformational leaders induce the alignment of employees' values and priorities with the brand's goals, provide inspirational vision, and motivate employees to transcend their own self-interests for the sake of the brand (Bass, 1985; Burmann & Zeplin, 2005; Morhart et al., 2009). Moreover, in highly complex and dynamic hospitality environment, Hinkin and Tracey (1994) consider transformational leadership style as an ideal way to lead frontline hotel employees because it influences major changes in employee attitudes and builds their commitment (Minett, Yaman, & Denizci, 2009).

Based on transformational leadership theory (Bass, 1985) in connection to brand management, we define brand-oriented leadership as leaders' approach that motivates employees to act according to the brand by appealing to their values and emotions. These leaders display the following behaviors: acting as a role model and authentically "living" the brand values, communicating brand identity to employees, and demonstrating personal pride in the brand (Morhart et al., 2009; Vallaster & de Chernatony, 2006; Wieseke et al., 2009).

During the brand-building process, leaders play an active role in "translating" the brand's promise into action. It is not only their verbal communication that influences internal branding but also non-verbal communication, expressed in their behavior and interactions. Managers frequently point out that talk does not count for much if not supported with the right behavior. Among crucial leadership behaviors managers recognize behaviors such as demonstrating commitment, living brand values, and exercising trust. Moreover, successful leaders consistently and repeatedly communicate messages to employees about the brand identity and commitment to living the brand's promise (Vallaster & de Chernatony, 2006). Open, non-contradictory, and reliable communication facilitates the development of trust and the credibility of the brand's promise (Stephenson, 2004).

Burmann and Zeplin (2005) emphasize that brand-oriented leadership for generating employee commitment should be encouraged on all levels; therefore the macro level that refers to top management should not be ignored. The consistent brand-oriented leadership of top managers can ensure that frontline employees understand organizational brand identity, accept brand values, establish a high level of trust and confidence in the organization, and consequently develop positive brand attitudes. Managers' on-brand behavior and strong, highly visible support are perceived as crucial internal branding tools that create the alignment with the organizational brand (Burmann & Zeplin, 2005; Miles & Mangold, 2005; Vallaster & de Chernatony, 2006).

Aaker and Joachimsthaler (2009) argue that internal role models are the best approach to verbalizing the brand identity. Personalities, such as a strong, visible CEO or top manager with a clear brand vision that perfectly represents the brand are powerful role models. Employees only take internal branding efforts seriously if the process is supported by top management's words and actions. Therefore internal branding must start at the top with CEO and top managers believing in the brand and supporting the branding process (Burmann & Zeplin, 2005). As important role models top managers instil higher order ideals and values among followers (Lee et al., 2013). However, despite the arguments for the significance of top management, their role has been seldom explored in internal brand management.

Top management has even greater role in smaller, centralized organizations where interactions with employees are more common. If top management includes an identifiable set of people whose actions have a significant impact on employees, it makes sense to consider the perceptions employees have about top management's behavior. In a small, centralized organization where it is relatively easy to identify who makes what decisions, who creates expectations about the employment relationship, and who has the authority to fulfill the obligations, the organization and the top decision makers may be seen as equivalent. In such cases, employees have an opportunity to observe the behaviors of top managers and form perceptions that influence their attitudes and behaviors. However, in larger, more complex organizations, employees hardly ever have any interactions with top managers, thus it is much harder to assess which level of management made what decisions and how top managers behave. In such an instance, the organization may take on a life of its own in an employee's eyes as a referent of trust (Mayer & Davis, 1999).

1.2.4 Affective brand commitment

The conceptualization of brand commitment employed in this paper is derived from Allen and Meyer's definition of organizational commitment and is described as a psychological state that exemplifies an employee's relationship with the brand (Meyer, Allen & Smith, 1993, p. 539). Although Allen and Meyer acknowledge three distinct types of commitment (i.e., affective, normative, and continuance), we focus only on affective commitment, which

is defined as employees' emotional attachment to the brand (Allen & Meyer, 1990). Previous studies have concluded that affective commitment has a stronger relationship with favorable employee behaviors than other types of commitment (Meyer, Stanley, Herscovitch, & Topolnytsky, 2002). Affective commitment is based on positive emotions, shared values, and identification (Zhang & Bloemer, 2011).

In the present study, we explore the drivers of employees' affective brand commitment, because previous studies have already demonstrated the importance of the commitment in internal branding process (Burmam et al., 2009; Xiong et al., 2013). In high-contact services, employees represent the link between a brand's internal and external environment. Quality of service varies in terms of the extent to which employees deliver the brand promise and display authentic affection for the brand (Baker et al., 2014). Authentically expressed emotions and sincere interactions with customers, as a result of brand commitment, are much stronger drivers of service outcomes than internal policies that determine required behavior.

1.3 Hypotheses development

1.3.1 Mediating role of employee brand knowledge

Deriving from Keller's (1993) definition of brand knowledge and upgrading that definition through subsequent explanations in the branding literature, we define employee brand knowledge as a cognitive representation of distinct brand identity in employees' memory (Baumgarth & Schmidt, 2010; Löhndorf & Diamantopoulos, 2014).

King and Grace (2012), Miles and Mangold (2005), and Miles, Mangold, Asree, and Revell (2011) highlight that employees need to learn about and understand a brand in order to develop favorable brand attitudes and pro-brand behaviors. By forming brand knowledge, employees start to make sense of the brand and its values. Sensemaking is a socialization process (Vallaster & de Chernatony, 2005; Weick, 1995). In general, socialization is defined as a process by which people acquire various patterns of cognition, skills, and behaviors, which enable them to function as members within groups and society (Moschis & Moore, 1979; Ward, 1974). Organizations' top management and leaders, among other constituents, form a social environment for employees. Communication and the behavior of managers help employees to make sense of their brand experience. This develops their knowledge about brand identity (Chatman, 1991).

Our hypothesis is that brand-oriented leadership of top management enhances employee brand commitment, with employee brand knowledge as a crucial mediator. By implementing top-down brand communication and role modeling, leaders articulate brand identity to employees (Burmam & Zeplin, 2005). Employees become aware of and understand brand identity, brand values, and expected behaviors (Chatman, 1991). Moreover, they acquire knowledge about their role as brand representatives and align their brand cognitions with

brand requirements (Ward, 1974). By adopting clear brand knowledge, employees are more likely to demonstrate positive brand attitudes and emotionally engage with the brand (King & Grace, 2010).

The findings of several researchers (e.g., King & Grace, 2010; Xiong et al., 2013) reveal that employees knowledgeable about the brand are more likely to exhibit positive, brand-aligned attitudes. Gaining clearer and more consistent brand knowledge influences employees to move from simply understanding brand values to emotionally engaging with the brand. We conclude that brand messages from top management contribute to employees' brand knowledge, which is necessary to engender employees' brand commitment (Miles et al., 2011; Xiong et al., 2013).

H1: Employee brand knowledge mediates the relationship between top management's brand-oriented leadership and employees' brand commitment.

1.3.2 Mediating role of psychological contract

Top management influences the basis on which the psychological contract is built by making strategic decisions and consistently sending messages with vision- and value-based content (Miles & Mangold, 2005). With their efforts toward internal branding, top management not only encourages the development of employee brand knowledge but also influences employee perceptions about the work environment. Several authors highlight the importance of considering internal branding process as part of employees' work environment and their relationship with their employer. As such, internal branding cannot be viewed in isolation and is likely to be unsuccessful if the work environment is not conducive to the employees and the brand values (Löhndorf & Diamantopoulos, 2014; Punjaisri & Wilson, 2011).

Psychological contract is defined as an individual's beliefs about the terms and conditions of a perceptual exchange agreement between an individual employee and the organization (Rousseau, 1989, 1995). The fulfillment of the contract is achieved when an employee perceives that the organization or management has fulfilled the promises that compose the contract (Morrison & Robinson, 1997; Turnley, Bolino, Lester, & Bloodgood, 2003). Psychological contract is considered a central driver of employee motivation. If the organization or management upholds the psychological contract, this enhances employees' trust in the employer, and employees are consequently motivated to develop the desired organizational attitudes and behaviors. Although the psychological contract forms as a perceptual process for each employee individually, the organization can influence employee perceptions and the basis on which the psychological contract is built (Miles & Mangold, 2005).

Employees form expectations that comprise their psychological contracts from several sources. These may be recruiters, HR specialists, supervisors, or top management (Turnley &

Feldman, 1999). Turnley and Feldman (1999) argue that the promises and behaviors of supervisors and top managers have a more important influence on the fulfillment of the psychological contract than do the promises of other organizational representatives because leaders are perceived as central agents in the employment relationship. Although employees may perceive an exchange relationship between them and the organization, organizations in return cannot “perceive” and cannot “deliver the promises”. As representatives of the organization, top managers are responsible for forming the expectations and fulfilling the promises of the psychological contract (Morrison & Robinson, 1997).

Effective and consistent transmittal of messages reflecting the organizational brand’s values and vision can uphold the psychological contract that exists between the organization (or management) and employees. Contract is a central component of employee motivation and organizational life, thus is also central to the internal branding process in that the degree to which top management upholds the contract influences employees’ trust in management and their motivation to support the organization and, by extension, the brand. Internal branding process enables management to positively influence and manage this perceptual exchange (Miles & Mangold, 2005).

Top management with brand-oriented leadership style aligns its own behaviors and communication with the brand’s vision and values. This alignment facilitates the fulfillment of the employee psychological contract and motivates employees to demonstrate the desired brand attitudes, perceptions, and positive brand feelings. For example, a brand’s essential value is team work, while top managers do not exhibit the value through their behaviors. Rather, they emphasize and reward individualism. When this discrepancy between “stated” and “real” values happens, the employee psychological contract is likely to be breached, and employees’ trust in management is compromised. As a result, employees do not have the motivation to align their attitudes with the organization’s brand (Miles et al., 2011). In terms of psychological contract theory, employees are motivated to reciprocate when they perceive the promises are being fulfilled by the management. Reciprocation may take the form of commitment (Sturges, Conway, Guest, & Liefvooghe, 2005). A link between the fulfillment of the psychological contract and employees' commitment has been shown to exist (Bunderson, 2001; Coyle-Shapiro & Kessler, 2000; Lester, Turnley, Bloodgood, & Bolino, 2002).

We hypothesize that the relationship between brand-oriented leadership and commitment is mediated by the fulfillment of the psychological contract. The relationship can be explained by social exchange theory, which provides a general approach for understanding how employees are likely to respond when they perceive that top management has aligned its behavior and communication with the promises and has fulfilled employees’ psychological contract (Turnley et al., 2003). A social exchange relationship exists between employees and top management (Robinson & Morrison, 1995). Each party engages in actions with the belief that the other party will reciprocate these behaviors (Homans, 1961). A social exchange relationship is built on trust, because obligations can not to be specified ahead of time (Blau,

1964; Turnley et al., 2003). If top management fulfills the promises of the relationship, employees increase their trust in the management, which motivates them to develop commitment to and align their values with the organizational brand. With commitment, employees reciprocate the positive actions of the top management that treats them fairly. Social exchange theory proposes that employees are motivated to engage in commitment when they perceive that their relationship with management is built on fairness and honesty (Coyle-Shapiro & Kessler, 2000; Turnley et al., 2003).

The underlying processes of social exchange relationships rely on the norm of reciprocity (i.e., give-and-take processes) and are based on employees' evaluations of the quality of the exchange relationship with the management (Dulac, Coyle-Shapiro, Henderson, & Wayne, 2008; Löhndorf & Diamantopoulos, 2014). With the implementation of brand-oriented leadership, top management adheres to the promises made to employees, which is reflected in employees' perceived fulfillment of psychological contract. Resulting in reciprocity-based motivation to support the organization, hence the brand, perceived fulfillment of the promises stimulates employees to develop commitment to the organization and, by extension, to the brand. Employees exhibit stronger emotional bonds with the organization when they perceive that their expectations have been reached.

H2: Perceived fulfillment of psychological contract mediates the relationship between top management's brand-oriented leadership and employees' brand commitment.

1.3.3 Mediating role of employee-brand fit

We propose another process through which the brand-oriented leadership of top managers affects employee brand commitment. That is the internalization of brand values. In order to successfully enhance commitment, employees need to internalize brand values as their own (Shamir, House, & Arthur, 1993). Congruence between an employee's personal values and a brand's values is referred to as employee-brand fit. The concept derives from Cable and DeRue's (2002) definition of a person-organization fit. We investigate employees' subjective perceptions of brand values, because their brand perceptions are likely to determine their attitudes toward the brand (Finegan, 2000).

Gagné and Deci (2005) emphasize that internalization process drives individuals to accept external values and display attitudes that are authentic. Internalization occurs when employees perceive that they share the same or similar values with the brand (Baker et al., 2014). However, for brand internalization to happen, leaders must consistently talk about the brand, act as role models and truly live the brand, and hence, model the brand by "walking the talk" (Zhu, Chew, & Spangler, 2005). Employees perceive greater value congruence when "a common message" is communicated about the values of the brand and when they experience regular interactions with the brand (Harris & de Chernatony, 2001; van Vuuren, de Jong, & Seydel, 2007). We conclude that top managers' behavior, reflecting the brand's

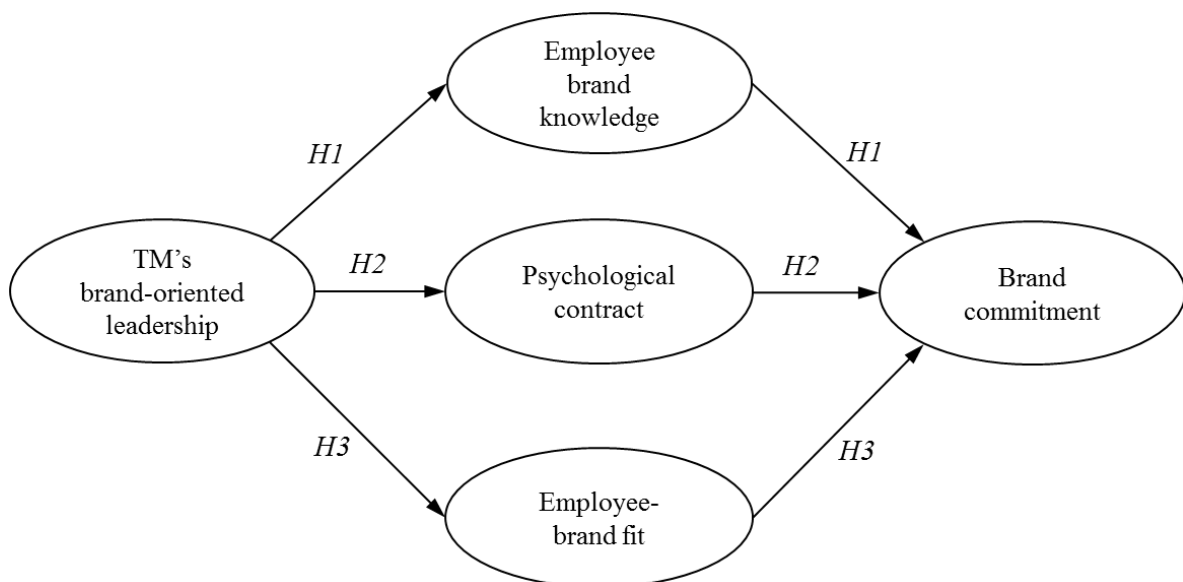
values, can fulfil a vital role in achieving affective brand commitment through employees internalizing the brand values.

Moreover, similarity-attraction theory (Byrne, Clore, & Worchel, 1966) suggests that if two individuals perceive that they share similar beliefs, they become strongly attracted (Zhang & Bloemer, 2011). In a brand context, employees who perceive a good value fit with a brand feel higher similarity with the brand and thus feel more attracted to the brand. Employee-brand fit leads employees to develop emotional attachment to the brand. Moreover, when employees believe that their values match a brand's values, they feel more involved with the brand's vision and beliefs, and they are more likely to emotionally connect with the brand (Cable & DeRue, 2002). Meyer and Herscovitch (2001) conclude that shared values are a fundamental basis for affective commitment.

H3: Perceived employee-brand fit mediates the relationship between top management's brand-oriented leadership and employees' brand commitment.

Drawing on the internal branding theoretical framework and theories of socialization, social exchange, and internalization, we proposed four hypotheses regarding how top management's brand-oriented leadership contributes to the development of employee brand commitment, with three key mediating mechanisms: employee brand knowledge, fulfillment of psychological contract, and employee-brand fit. The conceptual model is presented in Figure 2.

Figure 2. Proposed research model



1.4 Methodology

1.4.1 Sample and data collection

To test the hypotheses, we conducted an employee survey in an international hotel chain that has a well-known hotel brand in the regional area. Due to confidentiality concerns, the organization's identity has been made anonymous in this paper. The hospitality sector was chosen as an appropriate context because of its relatively high customer-contact service, which increases the role of employees as brand representatives. Since the aim of the study is to get insight into internal branding process from an employee perspective, these individuals are included in the study.

The sample consists of employees from one country working in five hotels that range from four-star to five-star hotels. They are situated in one place to form a large hotel complex. This hotel chain is in the market present under one brand; therefore, all employees are exposed to the same general branding efforts and organizational culture. Thus, we can exclude the possibility of effects related to distinct branding strategies and management. To encourage participation and avoid positively biased responses, the survey was anonymous.

Data was collected through a paper-based self-completing survey that was personally distributed to employees. We did not target our respondents during the high work season, when they are overloaded with work and do not have enough time to participate in a study. Therefore, we distributed questionnaires during a low season, when employees meet for educational purposes. Because employees attended the educational workshop in two groups, we gathered our data in two waves, always prior to the workshop. All employees that attended the workshop completed our questionnaire. Middle and top management did not attend the sessions, and because they were not our target group, we did not include them in the study.

The sample of this study consisted of employees from different areas of hotel operations: food and beverage (waiters and chefs), housekeeping, front office, wellness, reservations, maintenance, and administration (e.g., accounting). 227 employees participated in the survey; one questionnaire was excluded due to excessive missing data, resulting in 226 usable questionnaires. The sample represented 54 percent of all employees working in this organization.

1.4.2 Measures

We measured brand-oriented leadership with four items from Morhart et al.'s (2009) brand-oriented TFL (transformational leadership) scale. Their original scale consisted of 20 items that covered 5 different dimensions: inspirational motivation, intellectual stimulation, idealized influence (behaviors and attributes), and individual consideration. Because we took

a narrower view on top management' brand-oriented behaviors, we only included items that reflected top management's role modeling and supportive communication about the brand identity.

The four-item scale of employee brand knowledge was adapted from Baumgarth and Schmidt (2010) (Items 1, 3, and 4 in Table 2), Kimpakorn and Tocquer (2009), and King and Grace (2010) (Item 2 in Table 2). From Baumgarth and Schmidt's (2010) original scale that consisted of seven items we used three items that measured employees' knowledge about the brand identity and we included an additional item (Item 2) to better cover the construct's domain. Non-selected items from Baumgarth and Schmidt's scale were related to brand communication rather than to employee brand knowledge (i.e., *I am familiar with our brand style guide. I am familiar with our brand communication.*), thus were not relevant to the measurement of our construct.

The psychological contract was measured with three items. We used a global measure of Employer fulfillment containing two items proposed by Rousseau and Tijoriwala (1998) and used by Rousseau (2000). In order to better tap the construct domain, we added an additional item (*Overall, my employer has fulfilled the promised obligations.*) from a single-item scale also used to measure contract fulfillment (Robinson & Rousseau, 1994). The scale demonstrated sufficient reliability (Henderson, Wayne, Shore, Bommer, & Tetrick, 2008).

Employee-brand fit was measured using an original three-item scale from Cable and DeRue (2002) and was adapted to the brand context. The scale has subsequently demonstrated good reliability (Löhndorf & Diamantopoulos, 2014). The measure for employee brand commitment was based on five items from Allen and Meyer's (1990) affective commitment scale. The scale was validated and demonstrated good reliability by several studies (e.g., Fu, Bolander & Jones, 2009; Wallace et al., 2013; Xiong et al., 2013). Although the original scale consisted of six items (Meyer et al., 1993), we excluded an item "*I would be very happy to spend the rest of my career at our brand.*" because it reflects loyalty more than it does commitment. Moreover, based on past research, the item suffers from lower loadings and cross-loadings with other types of commitment (Allen & Meyer, 1990; Dunham, Grube, & Castaneda, 1994; Wallace et al., 2013). Respondents evaluated all items on a five-point Likert scale, from *strongly disagree* (1) to *strongly agree* (5), except for the employee-brand fit that was evaluated on a seven-point Likert scale.

We employed multi-item measures for all five latent construct and used existing and established scales; however, some of the measures were adapted to the branding context. To assure the adequacy of the scales in internal brand management, conventional scale development procedures were used (e.g., Netemeyer, Bearden, & Sharma, 2003). We performed a comprehensive literature review, conducted in-depth interviews with hotel's frontline employees and hotel managers, and carried out refinements according to suggestions provided by expert judges (two academic scholars and one marketing manager). Additionally,

to ensure content validity of the scales and comprehensibility of the questionnaire, revised scales were pretested with employees and managers.

1.5 Results

1.5.1 Characteristics of respondents

Of the 226 employees who participated in the study, 60.5% were female. The average respondent age was 41.8 years ($SD = 11.3$), with ages ranging from 18 to 63 years. The average respondent had worked for the employer for 13.5 years, with approximately half of the respondents working in the organization for 10 years or fewer. All educational levels were represented, with 10.3% having attained no higher than a primary education, 70.3% having completed a secondary education, and the remaining 19.4% having obtained a tertiary education. Since respondents held different positions, we report on those departments that were most heavily represented in the sample: 27% food and beverage (65.6% waiters and 34.4% chefs), 15% housekeeping, 6.2% front office, 4.9% wellness, 4% reservations, 3.1% maintenance, and 2.7% administration. 33.2% of the respondents did not provide information identifying their position. Among the respondents that provided information about customer contact, 76.1% had daily customer contact, 17.8% had occasional contact, and 6.1% had rare or no customer contact.

1.5.2 Preliminary analyses

To test whether items loaded on the intended factors, an exploratory factor analysis (EFA) was performed. As recommended by Fabrigar, Wegener, MacCallum, and Strahan (1999), we used the maximum likelihood extraction method and promax rotation. Firstly, an EFA on each construct was conducted. Items loaded at 0.64 or higher on a single factor, which is well above the 0.5 criterion suggested by Hair (2010). Secondly, we performed an EFA on all items simultaneously. As Gerbing and Anderson (1988) recommend, we took the solution with a number of factors that have eigenvalues larger than 1.0. The resulting exploratory solution showed a clear five-factor solution, explaining 65% of the variance. All items loaded strongly on the intended factors (loadings from 0.59 to 0.92) with no extremely high cross-loadings.

Given that we used the same respondents to measure all of the variables and self-reported measures were adopted, there was concern regarding the presence of common method variance (CMV) (Podsakoff & Organ, 1986). To reduce the potential effect of CMV prior to the study, we did not present independent and dependent variables in the hypothesized order. Moreover, to test for CMV after data collection, Harman's single-factor test (Podsakoff, MacKenzie, & Podsakoff, 2012) was applied, demonstrating that a single factor explained less than 50% of the total variance (principal components factor analysis was used). EFA yielded five factors with eigenvalues higher than 1.0, with the first (largest) factor explaining

less than 46% of the total variance. Lastly, correlation scores among all constructs were below 0.8 (highest correlation among factors in EFA is $r = 0.65$). Thus, CMV was not a major issue in our study, and variables used in the analysis were distinct from one another.

1.5.3 Confirmatory factor analysis

To rigorously assess the psychometric characteristics of all variables, we conducted confirmatory factor analysis (CFA) using maximum likelihood estimation in Mplus 7. The results of the CFA showed a good fit of the proposed measurement model to the data ($\chi^2 = 256.80$, $df = 142$, $p < .001$, $\chi^2/df = 1.81$, CFI = 0.96, TLI = 0.95, RMSEA = 0.06 with p -value = 0.08, and SRMR = 0.04). The measurement items showed high (well above 0.50) and significant loadings with p -values below 0.001, which designates that indicators loaded significantly on the intended latent variables. Thus, we provided evidence of convergent validity (Hair, 2010).

Cronbach's reliabilities and composite reliabilities (CR) for all scales were above the recommended thresholds at 0.70 and 0.60, respectively (Bagozzi & Yi, 1988). Thus, all measures consistently indicated its internal consistency. Convergent validity was also achieved, since each construct had an acceptable value of average variance extracted (AVE) at 0.50 or above (Fornell & Larcker, 1981; Netemeyer et al., 2003), indicating that more than half of variances in the constructs are explained by their corresponding measures rather than errors (Hair, 2010). Moreover, by comparing the AVE of each construct and the construct's squared correlations with other constructs, we found support for the discriminant validity for all constructs (Anderson & Gerbing, 1988; Fornell & Larcker, 1981). The AVE estimates were greater than the squared correlation estimates, demonstrating that each construct is distinct from the other constructs. In Table 1, we report the descriptive statistics, reliabilities, validities, and correlations. The measurement items and standardized factor loadings are provided in Table 2.

Table 1. Descriptive statistics, reliability and validity tests, correlation matrix

Variables	M	SD	α	CR	AVE	1	2	3	4
1. Brand-oriented leadership	3.51	1.16	0.85	0.87	0.62				
2. Brand knowledge	3.84	0.99	0.78	0.80	0.50	0.62			
3. Psychological contract	3.86	1.15	0.90	0.90	0.75	0.61	0.47		
4. Employee-brand fit	4.46	1.55	0.94	0.95	0.87	0.61	0.56	0.66	
5. Brand commitment	3.58	1.21	0.90	0.91	0.66	0.60	0.61	0.67	0.72

Notes: Numbers in the matrix represent correlations between constructs. All correlations are significant at $p < 0.001$. Employee-brand fit was measured on a 7-point Likert scale, while others were measured on a 5-point Likert scale.

Table 2. Measurement items of constructs and standardized item loadings

Construct	Measures	Std. loading
Brand-oriented leadership	1. Top management regularly talks about the most important brand values.	0.71
	2. Top management talks about his belief in brand values.	0.75
	3. Top management shares the future of the brand [name] with employees.	0.83
	4. Top management lives the brand values.	0.85
Brand commitment	1. I feel emotionally attached to the brand [name].	0.77
	2. I feel a strong sense of belonging to the brand [name].	0.85
	3. The brand [name] has a great deal of personal meaning for me.	0.88
	4. I feel like ‘part of the family’ at our organization.	0.79
	5. I really feel as if the brand’s problems are my own.	0.77
Employee brand knowledge	1. I understand how our customers can benefit from our brand.	0.65
	2. I understand my role in delivering the brand’s promise.	0.78
	3. I am well informed about the values of the brand [name].	0.73
	4. I know how our brand is different from those of the competitors.	0.67
Psychological contract	1. Overall, my employer fulfills its commitments to me.	0.88
	2. My employer has fulfilled the promised obligations.	0.87
	3. In general, my employer lives up to its promises to me.	0.86
Employee-brand fit	1. The things that I value in life are very similar to the things that the brand [name] values.	0.94
	2. My personal values match values of the brand [name].	0.92
	3. The brand’s values and culture provide a good fit with the things that I value in life.	0.93

1.5.4 Hypothesis testing

To test the proposed hypotheses, we applied structural equation modelling (SEM) using Mplus 7. SEM is considered appropriate for models with latent constructs, because it can identify the measurement errors as well as errors attributed to the model’s lack of fit. With

SEM, simultaneous testing rather than multiple regressions is possible. Therefore, SEM with maximum likelihood estimation was employed.

To assess the fit between the model and the data, we reviewed the goodness-of-fit statistics: $\chi^2(146) = 296.05$, $p < 0.001$, $\chi^2/df = 2.03$, CFI = 0.95, TLI = 0.94, RMSEA = 0.067 and SRMR = 0.062. The structural model provided an acceptable fit to the data. Moreover, squared multiple correlations (R^2) showed the amount of variance explained by the antecedents. The model explains 43.2% of the variance in employee brand knowledge, 43.0% of the variance in psychological contract fulfillment, 45.4% of the variance in employee-brand fit, and 61.5% of the variance in employee brand commitment. Firstly, we tested the direct effects. Estimated path coefficients of the relationships among constructs in the model are reported in Table 3.

Table 3. Path coefficients of the model

	Independent variable	Dependent variable	Estimates	(z-values)
H1	Leadership	Brand knowledge	0.66***	(12.11)
	Brand knowledge	Brand commitment	0.26***	(3.68)
H2	Leadership	Psychological contract	0.66***	(13.84)
	Psychological contract	Brand commitment	0.31***	(4.57)
H3	Leadership	Employee-brand fit	0.67***	(14.28)
	Employee-brand fit	Brand commitment	0.42***	(5.92)

Notes: Standardized path coefficients are reported.

*** $p < 0.001$

To test proposed hypotheses, i.e., whether employee brand knowledge (H1), psychological contract fulfillment (H2), and employee-brand fit (H3) significantly mediate the impact of brand-oriented leadership on employee commitment, we examined the significance of the indirect effects using nonparametric bootstrapping. This procedure is proposed by Preacher and Hayes (2008) as superior to other alternative evaluations of mediating effects. Based on 1,500 subsamples with 226 cases, the results demonstrate that the 95 percent confidence intervals for all indirect effects do not contain zero, which confirms the proposed constructs (i.e., employee brand knowledge, psychological contract fulfillment and employee-brand fit) as mediators between top management's brand-oriented leadership and employee commitment.

Specifically, in support of H1, we find an indirect effect of brand-oriented leadership on brand commitment through employee brand knowledge significant and positive ($\beta = 0.17$, $p < 0.01$, z -value = 2.65). Moreover, the indirect relationship between leadership and commitment with psychological contract fulfillment as a mediator is positive and significant ($\beta = 0.21$, $p < 0.001$, z -value = 4.01), which supports H2. Finally, in support of H3, we find

an indirect effect of brand-oriented leadership on brand commitment through employee-brand fit significant and positive ($\beta = 0.28, p < 0.001, z\text{-value} = 4.99$). Detailed results are presented in Table 4.

Table 4. Indirect effects of brand-oriented leadership on employee brand commitment

I.V.	Mediator	D.V.	Indirect Effects Bootstrapping		
			Estimates	95% CI's	
				Lower Bound	Upper Bound
Leadership	EBK	Commitment	0.17**	0.044	0.291
Leadership	PC	Commitment	0.21***	0.105	0.306
Leadership	EBF	Commitment	0.28***	0.171	0.391

Notes: I.V. = independent variable; D.V. = dependent variable; EBK = employee brand knowledge; PC = psychological contract; EBF = employee-brand fit.

Standardized path coefficients are reported. Confidence intervals (CI's) are based on 1,500 bootstrap samples.

** $p < 0.01$; *** $p < 0.001$

Additionally, we ran alternative models in comparison to our proposed mediation model. First, we excluded all three mediators from the model and measured a direct effect of top management's brand-oriented leadership on employee brand commitment. The relationship was positive and significant ($\beta = 0.60, p < 0.001$). Second, we added all three mediators in the model. By adding mediators, the relationship between leadership and commitment became non-significant and close to zero ($\beta = 0.01, p\text{-value} = 0.93$), while other relationships between constructs (presented in Table 3) remained robust (there were two exceptions: a small change in knowledge – commitment relationship: $\beta = 0.25, p < 0.01$; and in employee-brand fit – commitment relationship: $\beta = 0.41, p < 0.001$). We also applied nonparametric bootstrapping to assess the statistical significance of a direct effect and indirect effects. The 95 percent confidence interval for a direct effect contained zero, which confirmed the non-significance of the relationship between leadership and commitment. In contrast, the 95 percent confidence intervals for all indirect effects did not contain zero, which supports the significance of all three indirect effects. In conclusion, brand knowledge, psychological contract fulfillment, and employee-brand fit fully mediate the relationship between brand-oriented leadership of top management and employee brand commitment.

1.6 Discussion

1.6.1 Theoretical implications

Because services prevail in the hospitality industry, employees are the main representatives of the brand. They are the ones who deliver the brand value to customers. Therefore, organizations have the need to adopt internal branding activities to align employees' attitude and behavior to the externally communicated brand. This way, organizations strive to deliver

the brand promise and meet customer expectations about the brand (Punjaisri et al., 2009b; Xiong et al., 2013). While most of the internal branding research has focused primarily on the outcomes of internal branding, insufficient attention was dedicated to the implementation and mechanisms that explain the relationship between internal branding activities and outcomes (Löhndorf & Diamantopoulos, 2014; Xiong et al., 2013; Xiong & King, 2015). The purpose of the present study was to examine the linkage between brand-oriented leadership of top management (as a tool for internal branding) and employee brand commitment.

While the existing literature acknowledges the importance of different leadership levels in internal branding, the influence of each of the levels on employees has not been adequately addressed (Burman & Zeplin, 2005; Vallaster & de Chernatony, 2006; Wallace et al., 2011). In our paper, we focus specifically on the role of top management and their brand-oriented leadership. Top management is primarily responsible for building the internal structure and systems that enable internal branding. Moreover, top managers are the primary influential models of the brand for every organizational member because they have a large influence on employees' brand perceptions. Internal branding efforts will be taken seriously only if they are supported by top management's words and actions (Burmman & Zeplin, 2005; Kim & Brymer, 2011). Employees will accept the brand and align their attitudes accordingly if they perceive that top managers truly believe in brand values and demonstrate brand-consistent behaviors (Lee et al., 2013). In order to achieve the success of internal branding, the process needs to start at the top with management believing in the importance of strong brand and the brand identity concept (Burmman & Zeplin, 2005).

Since hospitality industry is particularly service and people oriented, the role of top management is a key success factor when managing human resources. Top management members comprise several important leadership roles including vision setters and motivators (Hart & Quinn, 1993). The vision setter role is related to articulating organization's basic purpose and future directions. The motivator role refers to creating a sense of excitement and vitality to motivate employees to accomplish the organization's goals and live by organization's values (Wang, Tsui, & Xin, 2011). Therefore, top managers provide guidance to their employees and act as role models (Kara et al., 2013). They are responsible for creating the brand culture, sharing brand vision and instilling brand values among employees (Lee et al., 2013).

Our findings suggest the following main conclusions. While previous studies have emphasized the direct influence of brand-oriented leadership on employee brand commitment (Burmman & Zeplin, 2005; Burman et al., 2009; Vallaster & de Chernatony, 2005, 2006; Wallace et al., 2011, 2013), our study shows that top management's brand-oriented leadership influences employee commitment through fully mediated paths, with knowledge, psychological contract fulfillment, and employee-brand fit as mediators. There are two reasons for our findings.

Firstly, to the best of our knowledge, our study is the first in internal branding to consider a particular level of brand-oriented leadership, i.e., top management. Although the influence of indirect and more senior leaders on employees is very different from the influence of direct supervisors and middle managers, the impact of each of the levels in internal branding has not been empirically assessed in past research (Burman & Zeplin, 2005; Hart & Quinn, 1993; Vallaster & de Chernatony, 2006; Wallace et al., 2011). Top management mostly impacts employees indirectly through different processes and levels, since they do not work with frontline employees on a daily basis. The results of our study support this assumption as we found an indirect influence of brand-oriented leadership of top management on employee commitment, through mediators of employee knowledge, fulfillment of the psychological contract, and employee-brand fit.

Secondly, the findings from leadership research show that transformational leadership of direct supervisors only moderately or non-significantly influences employee commitment, while indirect transformational leadership of top managers has a much stronger effect. This provides evidence that transformational leadership at the indirect level has a greater impact on employee commitment than at the direct level. Avolio et al. (2004) presuppose that close followers are more likely to see inconsistencies in leaders' behavior, which may affect their level of commitment. Moreover, leadership practices at lower organizational levels are usually more institutionalized and little leadership is needed, while leadership at higher levels involves the embellishment and operationalization of formal structural elements (Katz & Kahn, 1978). Sharing of brand vision, values, and inspiration may also differ across different leadership levels. For example, lower-level leaders may feel that their job is to take care of the day-to-day routine management (such as making sure that all of the guests' needs are taken care of), while top management (as the one who takes care of the brand strategy) is more likely to share brand values and vision and inspire employees (Avolio et al., 2004).

In this study we have begun to explore how brand-oriented leadership influences employees and their brand commitment by demonstrating that employee brand knowledge, fulfillment of the psychological contract, and feelings of value congruence mediate the relationship between brand-oriented leadership and brand commitment. Our results suggest that differences in employee levels of commitment may be explained by the differences in how knowledgeable employees are about the brand, how similar they perceive themselves to be with the brand and how they perceive the fulfillment of the psychological contract, all with respect to the brand-oriented leadership of top management. Effective and consistent transmission of brand messages by top management enables the organization to clearly position the brand in the minds of employees, drives employee internalization of brand values, and contributes to upholding of the psychological contract between the organization and the employee.

Our findings are in line with the theory of Miles and Mangold (2004, 2005) who emphasize the importance of the critical mediators between internal branding and positive brand-related

outcomes (e.g., employee commitment). However, the purpose of their study was to conceptualize and empirically test a general model of internal branding process; therefore the impact of specific internal branding sources (e.g., leadership of top managers) on employees was left unexplored. Also, we find support for the mediation model in the management literature, where mediators between leadership and commitment were found (e.g., Avolio et al., 2004; Dale & Fox, 2008; Kara et al., 2013).

1.6.2 Managerial implications

The study also offers significant managerial implications. It highlights the crucial role of top management and their brand-oriented leadership in achieving brand success. Leaders are powerful energizers for internal brand building (Vallaster & de Chernatony, 2006). If employees perceive the alignment between top leaders' behavior and the organizational brand, this stimulates their commitment to the hotel brand. However, the impact of top management's leadership on frontline employees is not straightforward. Top managers should actively work to stimulate commitment through their brand-oriented leadership that enhances employee brand knowledge, employee-brand fit, and perceived psychological contract fulfillment. Importantly, their leadership style should be based on transformational leadership with the emphasis on the brand. This comprises internally communicating brand values and vision, acting as role models (living the brand), and "walking the talk" to achieve higher understanding of the brand among employees, stronger congruence between the employee and the brand, and perceived fulfillment of psychological contract. Through these mediating processes, top management can induce higher emotional attachment of frontline employees.

In addition, hotel firms should constantly monitor their employees' level of brand knowledge. Generally, employees are very knowledgeable about the visual elements of the brand identity (i.e., name, logo, slogan, and symbols) as these elements are easy to remember, while they often lack expertise on non-visual elements that form the very essence of the brand (e.g., brand's values, promises, vision, and distinctive advantages) (Konecnik Ruzzier & de Chernatony, 2013). In their communication to employees, top leaders should emphasize the non-visual part of the brand identity, such as brand's core values, what the brand stands for, and what differentiates it from competitors. Moreover, managers can use brand-oriented training programs and internal and external communication, such as brand books, storytelling, and advertising messages. Use of symbols, for example traditions, myths, metaphors, heroes, and physical setting can provide compelling images of what the brand represents (Löhndorf & Diamantopoulos, 2014).

1.6.3 Limitations and suggestions for further research

In the current study, a single respondent approach was applied, as only employees were invited to participate. For future research in internal brand management, we recommend a

multilevel study with members of top management as respondents. Although, according to the test we applied, CMV is not a threat to our study, we could reduce the potential effects of CMV and single-source bias by collecting the data from different sources within the same hotel organization. By including leaders as respondents, we would acquire a different perspective on internal branding implementation. From answers given by employees, we learn their perspective on internal branding practices, while data from top managers would unveil the actual or planned internal branding activities.

Our study is somewhat adversarial to previous research in internal brand management, because it supports the hypothesis that brand-oriented leadership of top managers indirectly affects employees' brand commitment, while past studies proposed the direct effect of brand-oriented leadership. Therefore, further research is needed. We recommend comparing the effect of direct supervisors that daily work with customer-contact employees versus the effect of top management that typically influences employees indirectly. We postulate that differences derive from the regularity of leader-employee personal contact and structural distances (Avolio et al., 2004).

In our study we explored the development of affective employee commitment because it has the strongest and most favorable relations with desirable employee behaviors among all three types of commitment (other two are normative and continuance commitment). However, Meyer et al. (2002) also suggest normative commitment to be associated with desirable outcomes, such as employee in-role and extra-role behaviors. In relation to our research, normative commitment that reflects a perceived obligation to remain with the employer (Meyer & Allen, 1991) is possibly closely related to psychological contract. If organization fulfills or even exceeds its promises to the employee, it may cause employees to feel obliged to reciprocate by committing themselves to the organizational brand (Sturges et al., 2005). Moreover, Wallace et al. (2013) explored a direct effect of leadership behavior (in particular, consideration and initiating structure) on normative commitment, but did not investigate role modeling as possible leadership behavior. Therefore, in further research, we suggest to explore the role of top management's leadership in enhancing normative commitment and the mediating role of psychological contract fulfillment.

Since the current study was conducted among employees from one company, the findings lack generalizability, and further empirical verification of the proposed hypotheses is therefore needed. We recommend conducting a study in other high-contact services, such as the banking or insurance industries. Additionally, the measurement of employee brand knowledge requires further improvement. In our study, employees self-evaluated their brand knowledge, while advancement to measure employee brand knowledge could be made by introducing an objective measure or a performance test. Because the concept is still in its developmental stage, additional conceptual and empirical improvements are required.

Overall, this study contributes to the literature by conceptually and empirically showing that brand-oriented leadership of top management influences employee brand commitment indirectly, via three very important mediators; i.e., employee brand knowledge, psychological contract, and employee-brand fit. The results of this research also add to a more comprehensive understanding of brand-oriented leadership as it relates to employee brand commitment in the context of hospitality.

2 BRAND-ORIENTED HR PRACTICES AND BRAND BEHAVIORS OF SERVICE EMPLOYEES: CROSS-LEVEL DIRECT AND MEDIATING EFFECTS

Abstract

We develop and test a model linking brand-oriented HR practices to brand knowledge and brand behaviors of service employees. Drawing on social learning and social exchange theories, we propose that brand-oriented training, recruitment, and performance appraisal indirectly enhance frontline employee brand behaviors through brand knowledge, while recruitment and appraisals also directly enhance brand behaviors. We advance the existing knowledge in internal brand management by applying general HR practices to the branding context and study their influence on brand knowledge and brand behaviors in a multilevel setting. We collect multi-source data (frontline employees and their supervisors) from automobile dealerships. Our results show the mediating role of brand knowledge between brand-oriented training and in-role behavior, and training and participation in brand development. Moreover, brand-oriented recruitment directly and positively influences in-role behavior, and brand-oriented performance appraisal directly and positively influences customer-oriented extra-role behavior. In conclusion, brand-oriented HR practices as a means of implementing internal branding have differential roles in enacting frontline employees' brand cognition and brand behaviors.

Keywords: internal branding, services, brand-oriented HR practices, brand knowledge, brand behaviors.

2.1 Introduction

Responsible for delivering the brand promise, employees can either strengthen the brand or, alternatively, undermine the credibility of external branding and marketing communication if their message is inconsistent with the brand values (Berry, 2000; Harris & de Chernatony, 2001; Löhndorf & Diamantopoulos, 2014). The majority of product-selling organizations offer accompanying services, which increases the role frontline employees in shaping customers' perceptions about the brand and the offer. This is also well-evident in the automotive market, where the service quality is continuing to rise, increasing the pressure on dealerships to provide better services. Frontline employees at dealerships represent the car manufacturer's brand at the point of sale and are the most important personal contact between the car producers and the customers (Fraser, Tseng, & Hvolby, 2013). Thus, their brand-consistent behaviors play a critical role in customer purchase decisions (Babin, Babin, & Boles, 1999). Moreover, we selected the automotive industry for our study since it is one of the leading industries in branding. This industry had the most brands (i.e., 15) ranked among the 100 best global brands in 2016 (Interbrand, 2016). Car manufacturers are also among the

companies with the biggest investments in advertising and marketing. Toyota, for example, spent 3.6 billion dollars on advertising in 2016 (Business Review Europe, 2017).

Internal branding is considered one of the essential success factors in brand management and is the process of influencing employee behaviors with the intention of aligning them with the company's brand (King & Grace, 2010). Despite the growing attention to internal branding in recent years, the focus of research has mostly been on employee brand-related outcomes and consequences of internal branding (e.g., Löhndorf & Diamantopoulos, 2014; Xiong et al., 2013), while its implementation has been overlooked. Hinkin and Tracey (2010) reported on several practices that have made *Fortune's* best companies great and successful. These are, among others, the development of a strong culture among employees, training programs that are oriented towards understanding the brand culture, and attracting potential employees that feel high congruence with the organizational values. It is therefore crucial to investigate brand-oriented HR practices that reflect internal branding efforts and their effects on employees.

However, the branding field not only lacks the empirical findings, but conceptual advancements are needed as well. Research attempts about conceptually applying HRM to internal branding are scarce, and researchers have left the role of individual brand-oriented HR practices in building employee brand knowledge and brand behaviors largely unexplored. For these reasons, we adapt the HR practices included in Lepak and Snell's (2002) HR configurations to the branding context, define brand-oriented HR practices, and conduct an empirical study to examine which brand-oriented HR practices are effective in developing employee brand knowledge and guiding brand behaviors of frontline employees.

Our study offers the following theoretical and empirical contributions to the existing literature. First, we define critical HR practices in terms of internal brand management. These are brand-oriented recruitment, training, and performance appraisal. Second, we are interested in examining how and which brand-oriented HR practices enhance employees' brand behaviors. Our study is the first to examine the direct and indirect effects of individual brand-oriented HR practices on in-role and extra-role brand behaviors. We hypothesize and find that not all brand-oriented HR practices equally contribute to a particular brand behavior. While one HR practice may drive in-role brand behavior, another HR practice is more suitable for increasing customer-oriented extra-role behavior.

Additionally, we explore employee brand knowledge as a mediator, as further research is needed to uncover the mechanisms through which internal branding practices impact employee behaviors. We shed light on employee brand knowledge, an essential but seldom addressed concept in internal branding literature (Chang, Chiang, & Han, 2012; King & Grace, 2008). Past studies have recognized the importance of employees' cognition processes in internal brand building (Baumgarth & Schmidt, 2010; King & Grace, 2010; Löhndorf & Diamantopoulos, 2014; Xiong et al., 2013), but only examined the relationships between

employee-level constructs. Past studies also did not consider brand knowledge and only explored the effects of internal branding on employee brand attitudes or brand behaviors (Morhart et al., 2009; Punjaisri et al., 2009a; Wallace et al., 2013). To our knowledge, no study to date has explored employee brand knowledge as a mediating variable between brand-oriented HR practices and employee brand behaviors.

Third, many current studies in internal brand management do not consider different organizational levels. Mostly, they investigate the employee level, where internal branding activities are only the perceptions of employees (Baker et al., 2014; Punjaisri & Wilson, 2011). Therefore, we apply a multilevel approach. We conceptualize and measure brand-oriented HR practices at the organizational level and employee brand knowledge and brand behaviors at the employee level. Moreover, we adopt a multi-source approach to data gathering to eliminate the possibility for common method bias. We include supervisors as respondents for brand-oriented HR practices and employees' customer-oriented extra-role behavior, while frontline employees serve as respondents for brand knowledge, in-role brand behavior, and participation in brand development.

We add to existing research by a) conceptualizing main HR practices in terms of internal branding, b) applying HRM measurement scales to internal branding at the organizational level, and c) examining the impact of brand-oriented HR practices at the organizational level on employee brand knowledge and brand behaviors at the individual level.

2.2 Past research in brand-oriented HRM

There are only a few studies in internal brand management that have considered brand-oriented HRM as a meaningful implementation strategy and that have explored its impact on employees. Burmann and Zeplin (2005) and Burmann et al. (2009) discovered that brand-oriented HRM has a positive direct effect on employee brand commitment. However, their research did not explore the impact of HRM on employee brand knowledge or take a multilevel perspective. Similarly, Punjaisri et al. (2009a), Punjasri et al. (2009b), Punjaisri and Wilson (2011) conducted single-level studies at the employee level and explored the role of training as an HR practice in the internal branding process. Their conclusions were that training (in combination with internal communication) improves employees' brand attitudes (i.e., identification, commitment, and loyalty) and delivery of brand promises.

The study by Chang et al. (2012) adopted a multilevel framework. They investigated the impact of brand-oriented HR practices at the organization level on employee brand ownership and brand citizenship behaviors. Although this study is one of the rare cases that consider brand-oriented HRM from a multilevel perspective, we anticipate other constructs, such as employee brand knowledge, to be also essential for a more comprehensive understanding of brand-oriented HRM in enhancing employee brand behaviors. Moreover, Hurrell and Scholarios (2014) have studied the impact of brand-oriented HR practices on employee-brand

fit. In their qualitative research, they concluded that recruitment and selection practices, socialization processes, and training programs promote employee-brand fit and employees' brand identification. However, their study was exploratory and thus needs further investigation.

2.3 Conceptual background

2.3.1 Definition of brand-oriented HRM: Applying general commitment-based HRM to internal brand management

HRM is comprised of practices that are used to manage employees. These various practices are divided into subcategories: recruitment and selection, training, performance appraisal, and rewards and compensation (Wright & McMahan, 1992). As past studies show, high performance HR practices are related to the development of positive employee attitudes and behaviors (Allen, Shore, & Griffeth, 2003; Innocenti, Pilati, & Peluso, 2011; Wright & McMahan, 1992; Wright, Gardner, & Moynihan, 2003); therefore, these practices could be also considered as important mechanisms for internal branding implementation (Aurand et al., 2005). By aligning HR activities with the branding strategy, brand-oriented HRM that drives individual-level outcomes could be applied (Chang et al., 2012). Chang et al. (2012) defined brand-oriented HRM as HR practices that make employees produce brand-aligned attitudes and behaviors. We extend this definition by claiming that brand-oriented HRM also shapes employees' brand cognitions. Burmann and Zeplin (2005) considered brand-oriented HRM as one of the three levers of internal branding to manage internal brand identity (the other two being internal brand communication and brand-oriented leadership).

We consider commitment-based HRM as an appropriate application to internal branding because it builds on employee internal development and long-term commitment (Lepak & Snell, 2002). This approach focuses on encouraging employees to identify with organizational goals and dedicate themselves to the organization (Chang et al., 2012). Training, education, and other skill-enhancing activities are oriented toward empowering employees, encouraging participation in decision making, and achieving employee involvement (Arthur, 1994; Lepak & Snell, 2002). Commitment-based HR practices include: a) *recruiting* employees that have a high fit with the organization, not only by having adequate technical skills, but also by having high congruence with organization's values and high interest in the organization (Collins & Smith, 2006); b) *training* programs that are comprehensive, continuous, and emphasize long-term growth and development of employee knowledge (Collins & Smith, 2006; Lepak & Snell, 2002); c) *performance appraisals* that emphasize long-term growth, encourage employee development and learning, and include developmental feedback (Collins & Smith, 2006; Lepak & Snell, 2002) that provides employees with helpful and useful information allowing them to learn, develop, and improve (Zhou, 2003); and d) *compensation* that focuses on employee and organizational long-term

performance and provides incentives for introducing new ideas. As rewards, employees are offered extensive benefits and stock ownership (Arthur, 1994; Lepak & Snell, 2002).

Based on general HRM literature (Arthur, 1994; Tsai, Chuang, & Chin, 2008) we develop the conceptualization of brand-oriented HRM and brand-oriented HR practices. We define brand-oriented HRM, based on commitment, as a set of HR practices that shape desired employee brand knowledge, behaviors, and attitudes by creating psychological links between the brand and employees. Brand-oriented HR practices facilitate alignment of employees' values with the brand. The focus is on developing brand-committed and knowledgeable employees who are motivated to carry out high levels of brand-building behaviors that strengthen the brand. By applying the theory of commitment-based HRM to internal branding, we define the following brand-oriented HR practices: *brand-oriented recruitment*, *brand-oriented training*, and *brand-oriented performance appraisal system*. Brand-oriented recruitment is based on recruiting and selecting applicants who have high congruency between their personal values and the brand's values (i.e., recruitment based on employee-brand fit) and who can significantly contribute to brand objectives. Brand-oriented training includes programs that are comprehensive and implemented on a long-term basis. Their main focus is to enhance employees' brand-specific skills and knowledge. A brand-oriented performance appraisal system focuses on evaluating employees on the basis of their contributions to the brand's objectives and gathers evaluations from multiple sources. The system also provides employees with developmental feedback.

We did not include compensation as a part of brand-oriented HRM. Compensation, especially financial rewards, is an external motivator that encourages employee behaviors. To turn employees into "brand champions" and "brand enthusiasts," internal motivation is needed so that employees will internalize the brand and externally prompted behaviors will become truly part of the employee's self. Past studies have indicated that performance-contingent rewards decrease intrinsic motivation for activities and do not enhance internalization of externally encouraged values and behaviors (Deci, 1971; Deci, Koestner, & Ryan, 1999; Morhart et al., 2009). In a branding context, "buying off" employees' motivation with financial rewards to perform brand behaviors is detrimental to employees' brand championing and authentic brand representation.

2.3.2 Conceptualization of employee brand knowledge and brand behaviors

Service employees are expected to learn about the brand, its identity and values, and transform such brand knowledge into meaningful service encounters with customers through their brand-aligned behaviors (Chang et al., 2012; Vallaster & de Chernatony, 2006). Similarly to how consumers use their subjective brand knowledge to make purchase decisions (Bettman, Johnson, & Payne, 1990; Keller, 1993), employees use their perceived brand knowledge to decide on how they are supposed to perform as brand representatives (Xiong et al., 2013). Deriving from Keller's (1993) definition of brand knowledge and upgrading it

through subsequent explanations in the branding literature, we define employee brand knowledge as a cognitive representation of distinct brand identity in employees' memory (Baumgarth & Schmidt, 2010; Löhndorf & Diamantopoulos, 2014).

Employee brand behaviors are defined as employee behaviors that are brand-congruent and significantly contribute to an organization's customer-oriented branding efforts (Löhndorf & Diamantopoulos, 2014; Morhart et al., 2009, p. 123). After conducting an extensive literature review (e.g., Baumgarth & Schmidt, 2010; King & Grace, 2010; Löhndorf & Diamantopoulos, 2014; Morhart et al. 2009), we recognized two essential types of employee brand behaviors, i.e., in-role and extra-role brand behaviors. *In-role brand behavior* is defined as the expected employee behavior that is prescribed by brand standards (Löhndorf & Diamantopoulos, 2014; Morhart et al., 2009). This behavior is about adherence to rules and standards; therefore, it is considered to be a part of employee job requirements. On the other hand, extra-role brand behaviors are proactive, non-prescribed, and above-role requirements behaviors that are still consistent with the brand identity (King & Grace, 2010; Löhndorf & Diamantopoulos, 2014; Morhart et al., 2009). These behaviors are usually not explicitly acknowledged by formal reward systems, and they outline what it means for employees to "live the brand" (Burmah & Zeplin, 2005). In our study, we include participation in brand development and customer-oriented extra-role behavior as part of extra-role brand behaviors.

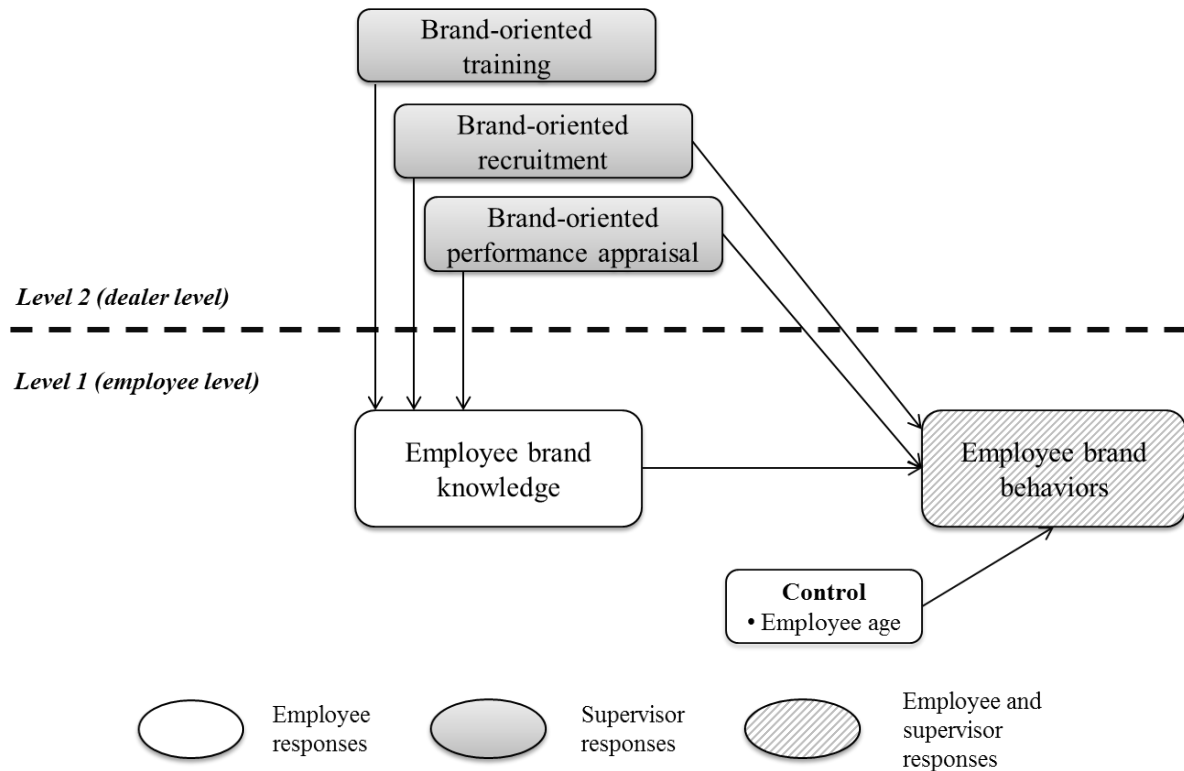
Participation in brand development is defined as voluntary employee involvement in nurturing and building the brand. For example, frontline employees can deliver valuable input to managers by providing customer feedback regarding the brand or making suggestions on improving the brand experience (Löhndorf & Diamantopoulos, 2014). *Customer-oriented extra-role behavior* is defined as discretionary extra-role behavior of frontline employees that enhances customers' service experience. It is about "delighting" the customer by going "out of the way" or "beyond the call of duty" (Auh et al., 2014; Bettencourt & Brown, 1997). An employee's customer orientation is crucial for brand building in the sense that organizations with strong brands provide high quality services for customers (Berry, 2000; Löhndorf & Diamantopoulos, 2014).

2.4 Research model and hypotheses

Our conceptual model posits that brand-oriented HR practices at the organizational level have direct and indirect (through brand knowledge) positive effects on employee brand behaviors at the individual level. Figure 3 depicts our proposed multilevel model. By exploring the linkages between concepts, our study may help to increase theoretical and empirical understanding of the processes through which brand-oriented HR practices influence employee brand knowledge and employee brand behaviors. Two overarching theoretical frameworks are applied to our conceptual model to clarify the relationships between concepts and offer explanations about the effects of internal branding. We use social learning theory (Bandura, 1977a, 1986), which offers an insightful lens about the development of

individuals' behaviors through knowledge, and social exchange theory (Blau, 1964), which explains the direct influence of brand-oriented HR practices on employee behaviors.

Figure 3. Theoretical multilevel model and data sources



2.4.1 Direct effects of brand-oriented HR practices on brand behaviors

Social exchange theory offers an exploratory mechanism to clarify the direct effect of brand-oriented HR practices on employee behaviors. The theory highlights the importance of exchange relationships between employees and their organization. Employees exhibit positive behavior toward their organization in order to reciprocate for benefits they receive from the organization (Alfes, Shantz, Truss, & Soane, 2013; Blau, 1964; Löhndorf & Diamantopoulos, 2014). Brand-oriented HR practices may be viewed as signals for long-term investment in employees that motivates the employees to respond with desired brand behaviors (Alfes et al., 2013). During the process of internal branding, if employees perceive that their needs are satisfied, they willingly reciprocate by aligning their behaviors with the brand (Chang et al., 2012).

Based on social exchange theory, we argue that organizations that have implemented brand-oriented HR practices influence their employees to display more brand behaviors. Supportive HR practices encourage employees to be good organizational agents, for example, good brand representatives and brand ambassadors. The impact of brand-oriented HR practices on employees' behaviors begins with recruitment. When organizations invest in selecting people

with high brand fit (sharing similar values), such employees perceive the desired brand behaviors as authentic and are thus motivated to demonstrate such behaviors.

Moreover, if managers invest their time in assessing employees' brand performance, employees receive strong messages that they are valuable assets to the organization (Snape & Redman, 2010). Selection programs, internal promotions, and appraisals that provide guidance regarding what behaviors are expected and supported enhance employees' motivation to align their behaviors (Boselie, Dietz, & Boon, 2005; Katou, 2008; Lepak, Liao, Chung, & Harden, 2006). Brand-oriented HR practices may be seen as an input into the social exchange process, which can be supported by the empirical evidence of the positive effects of brand-oriented HR practices on employee behaviors (Chang et al., 2012). More specifically, HR practices, which build on employee commitment in the long term, demonstrate high investment in employees, and are concerned about employee development, are likely to result in supportive employee behaviors (Snape & Redman, 2010). Therefore, we propose the following hypothesis:

H1: Brand-oriented (a) recruitment and (b) performance appraisal are directly and positively related to brand behaviors.

2.4.2 Indirect effects of brand-oriented HR practices on brand behaviors

Social learning theory (Bandura, 1977a) fits well the internal branding process as it emphasizes the crucial role of a person's cognition in encoding and performing behaviors. The theory posits that learning is a cognitive process that occurs in a social context through observation, imitation, and direct instructions. A person's behavior is shaped by the influence of their environment (e.g., social systems) and important social referents (Lam, Knaus & Ahearne, 2010). People learn by observing others, by modelling, through direct instructions, and by observing the consequences of the behavior. If they learn from the consequences of their behaviors, they are likely to adapt the behavior according to positive or negative behavioral consequences. People also learn by observing others before engaging in a particular behavior, as doing so enables avoiding costly errors. Social learning theory draws heavily on the concept of modelling. Modelling stimuli can be a live model, where an actual person is demonstrating the desired behavior, or verbal instructions, where an individual describes the desired behavior in detail and instructs the participant how to engage in the behavior (Bandura, 1977a, 1986; Lam et al., 2010; Rich, 1997; Rollins, Nickell, & Wei, 2014).

Internal branding is a process for promoting the brand to employees and educating them about that brand (Aurand et al., 2005). Consequently, employees will develop a clear position of the brand and align their behaviors with it (Miles & Mangold, 2005). Through the implementation of internal branding, employees learn about the desired brand behaviors by observing others, by role modelling, and through direct instructions. For example, with brand

training and brand-oriented performance appraisals, organizations influence employees to learn about the brand and the desired behaviors. Acquired brand knowledge then guides employees' actual behaviors.

We view internal branding implementation as a process in which employees develop their brand knowledge by learning from the exposure to brand information through brand-oriented HR practices. Cognition is especially important in forming complex human behaviors. Brand-oriented HR practices influence employees in a way that stimulate a sense-making process, during which employees develop a common interpretation of the brand, standards, and goals and share similar perceptions about what behaviors are expected and desired. Moreover, brand-oriented HR practices cause employees to understand appropriate brand behaviors, which they use to guide their actual behavior (Mischel, 1977). Brand-oriented HR practices disseminate messages about the brand and the expected behaviors that employees use to make sense of their role as brand representatives.

Building on social learning theory, we presume that organizations employing brand-oriented HR practices can affect employees' cognitions (Allen et al., 2003; Whitener, 2001). Ceylan (2013) acknowledged that through HR practices with commitment orientation, organizations can develop the tacit knowledge, skills, and capabilities of their human resources. HR practices help to create knowledgeable and capable employees. Attracting and selecting candidates that feel congruent with the brand, educating employees about the brand (its values, promises, and vision), and praising them for achieving brand goals are approaches that enhance employee brand knowledge and consequently behaviors (Ceylan, 2013; Collins & Smith, 2006; Hong et al., 2013). Bowen and Ostroff (2004) argued that HR practices serve as a communication mechanism signaling employees to engage in certain behaviors. We hypothesize that brand-oriented recruitment, training, and performance appraisal enhance brand behaviors indirectly, with brand knowledge as a mediator. The following hypothesis is therefore proposed:

H2: Brand-oriented HR practices (i.e., (a) recruitment, (b) training, and (c) performance appraisal) are indirectly and positively related to brand behaviors through employee brand knowledge.

2.5 Methodology

2.5.1 Context and study design

Because the study focuses on enhancing brand behaviors of service employees that importantly contribute to better services for customers, we collected our data from the automotive industry, which seems to fit this context very well. Car dealerships play an integral role in the relationship between the customer and the car brand. This reflects the importance of sales and service employees within dealerships building successful

relationships with buyers and contributing to the brand's success. Perceived customer service is a critical factor in determining store performance, as about one-half of car buyers who leave a dealership unsatisfied with their sales experience will not decide to buy the same brand again (Babin et al., 1999; Fraser et al., 2013). We also selected the automotive sector because it is one of the leading industries in branding, which is well-reflected in existing brand rankings. Car brands are among the best global brands (Forbes, 2015; Global 500, 2016; Interbrand, 2015). Part of building a strong, successful brand is how sales personnel represent the brand and treat customers. Therefore, automakers continuously provide extensive brand training and communication activities to dealers, in particular to sales managers and sales personnel. Dealers are expected to focus actively on customer service excellence that is in line with the brand.

We prepared the surveys by employing previously developed and well-established scales, whenever possible. Due to a lack of scales in internal brand management, some of the scales from other fields had to be adapted to the branding context, specifically Lepak and Snell's (2002) HRM configurations scale and Flynn and Goldsmith's (1999) subjective consumer knowledge scale. In the first stage of questionnaire development, one author applied the scales to the branding context, while other authors reviewed them. The second stage of questionnaire development included 10 face-to-face interviews with HR and marketing managers from different industries. The purpose was to determine face validity, clarity of expressions, and accuracy of how the questions addressed company practices. After the questionnaire revisions, additional interviews with three managers and two employees from the automotive industry were conducted to ensure the appropriateness of the questions. Moreover, a back-translation process was adopted, as the surveys were initially prepared in English but participations were not English speaking (Brislin, 1986). Two bilingual translators and 13 HR and marketing managers participated in the process.

We obtained data from multiple sources (i.e., frontline employees and their supervisors) and at multiple levels (i.e., dealer and employee level). Whereas brand knowledge, in-role brand behavior, and participation in brand development were measured on the basis of information obtained from the salespeople, the predictor variable (brand-oriented HR practices) and customer-oriented extra-role behavior of employees were measured based on data collected from the supervisors. This approach allowed us to eliminate the potential for common method bias, which can produce a significant correlation between the constructs (Homburg & Stock, 2005; Podsakoff et al., 2012).

2.5.2 Data collection and measures

Participants in the study were new car salespeople and their direct supervisors at car dealerships. All major car dealers and leading automotive brands in Slovenia were included: Audi, BMW, Dacia, Mercedes-Benz, Opel, Peugeot, Renault, Škoda, Toyota, and Volkswagen. Because a multilevel analysis possesses restrictions on sample size, car dealers

with at least two salesmen per brand were invited to participate. All car dealers that met this requirement were contacted. A total of 35 car dealers agreed to participate, which yielded a 59.3% response rate. The number of frontline employees per dealer ranged from two to six. The data was collected on-site. Respondents received the surveys along with an envelope and a cover letter explaining the purpose of the study and assuring confidentiality.

A total of 152 employees completed the surveys, of which 117 were frontline employees and 35 were their supervisors. Each supervisor evaluated between two and six frontline employees. We matched frontline employee surveys with the supervisor survey for a final sample of 117 frontline employee–supervisor pairs from 35 dealers. Of the frontline employees, 83% were male, the average age was 37 years, and the average tenure was 8.8 years. All employees reported customer contact on a daily basis. Of the supervisors, 77% were male, the average age was 40 years, and the average tenure was 13 years.

All constructs were measured with a seven-point Likert scale, ranging from *strongly disagree* (1) to *strongly agree* (7). A summary of the measures and individual items can be found in Appendices A, B, and C. Employee brand knowledge was measured with three items adapted from Flynn and Goldsmith's (1999) short subjective knowledge scale. Because the original scale measures consumers' knowledge about the product, we adapted it to measure general knowledge about the brand. In-role brand behavior was assessed using scales from Löhndorf and Diamantopoulos (2014), Morhart et al. (2009), and Xiong et al. (2013). The scale consisted of four items and evaluated the consistency of employee behavior with the brand. Participation in brand development was measured with a four-item scale from Löhndorf and Diamantopoulos (2014) and Morhart et al. (2009). The measure captured employees' voluntary cooperation in advancing the brand. As a control variable, employee age was included at the individual level.

Brand-oriented HR practices were measured with 14 items adapted from Lepak and Snell's (2002) commitment-based HRM scale. Two additional items were added from Chang et al. (2012) to measure training activities. Brand-oriented HRM consists of three HR practices: recruitment (four items), training activities (six items), and performance appraisal (four items). Supervisors also evaluated employee customer-oriented extra-role behavior that was measured using four items that were developed by Bettencourt and Brown (1997) and later adapted by Netemeyer, Maxham, and Pullig (2005) and Auh et al. (2014). We used supervisor-rated measures of employee behavior because employees may overrate their performance, and supervisor-rated measures of employee behavior are perceived as being more valid than employee self-ratings (Netemeyer et al., 2005).

2.6 Analysis

2.6.1 Measurement model

We assessed the quality of the measurement scales at the employee level by conducting a confirmatory factor analysis (CFA). We estimated two measurement models (Anderson & Gerbing, 1988) separately for employee self-reported data and for leader data. The first measurement model (i.e., employee model) included the constructs of employee brand knowledge, in-role brand behavior, and participation in brand development. After eliminating the item of *Participation in brand development* due to low R^2 (0.3), the model demonstrated a very good fit to the data: ($\chi^2(df) = 39.15(32)$, p -value = 0.18, $\chi^2/df = 1.22$; CFI = 0.989; TLI = 0.985; RMSEA = 0.044, p -value = 0.56; and SRMR = 0.041). The second measurement model only included employee customer-oriented behavior that was assessed by the leader. The model indicated a very good fit to the data: ($\chi^2(df) = 4.06(2)$, p -value = 0.132, $\chi^2/df = 2.03$; CFI = 0.993; TLI = 0.979; RMSEA = 0.099, p -value = 0.201; and SRMR = 0.016). All constructs achieved higher than 0.70 for composite reliability and higher than 0.50 for average variance extracted (AVE) (Bagozzi & Yi, 1988). These findings provide evidence for the convergent validity of the constructs. In addition, discriminant validity was also achieved. The squared correlation between any two constructs was less than the AVE of those two constructs (Fornell & Larcker, 1981). The descriptive statistics and relevant psychometric properties are reported in Table 5. Moreover, Cronbach's alpha for recruitment, training, and performance appraisal are 0.75, 0.83, and 0.80, respectively.

Table 5. Descriptive statistics, reliability and validity tests, correlation matrix for employee data

Variables	M	SD	α	CR	AVE	1	2	3
1. Brand knowledge	6.31	0.79	0.90	0.91	0.76			
2. In-role behavior	6.47	0.80	0.88	0.88	0.65	0.71		
3. Participation	6.28	1.01	0.80	0.82	0.60	0.45	0.45	
4. Customer-oriented behavior	5.83	1.19	0.91	0.91	0.72	0.21	0.23	0.08

Notes: Numbers in the matrix represent correlations between constructs.

2.6.2 Multilevel data analysis

The model was tested by conducting a multilevel path analysis in Mplus 7.0. Multilevel modelling (MLM) is appropriate for our research because the framework involves a relationship of constructs at both the individual level and the dealer level. The data is hierarchical, with employees nested within different dealerships. Moreover, supervisors reported employee customer-oriented behavior, which means that each supervisor reported data for multiple employees. This violates the assumption of independence of observations at the lowest level and gives a rationale for using MLM. MLM enables the simultaneous estimation of relationships between variables at different levels and controls for the dealer-level variance when estimating the relationships between employee-level variables (Auh et al., 2014; Chuang & Liao, 2007; Hox, Moerbeek, & van de Schoot, 2010). In estimating our

model, variables were grand mean-centered (Geiser, 2012; Hox et al., 2010) and we applied a maximum likelihood estimator with robust standard errors.

Prior to hypotheses testing, we tested to check for the appropriateness of a multilevel approach. We tested if data at the individual level had a considerable variance between dealers. We calculated intra-class correlation (ICC1) and reliability of group means (ICC2) for all individual-level variables. The returned values are reported in Table 6. Cohen, Cohen, West, and Aiken (2013) reported that even very small ICC values (i.e., 0.05 or 0.10) can lead to considerable bias in evaluation of statistical significance in conventional regression analyses. Because there is a meaningful between-dealer variance in the employee level variables – ICCs above 0.05 indicate that individual differences are due to differences between dealers – these findings provide evidence that a multilevel approach is appropriate.

Table 6. Values of ICC1 and ICC2

	ICC1	ICC2
Brand knowledge	0.47	0.75
In-role brand behavior	0.001	0.005
Participation in brand development	0.08	0.21
Customer-oriented extra-role behavior	0.50	0.77

2.6.3 Results of hypotheses testing

First, we evaluated a null model that did not include any predictor variables at the individual or organizational level. Second, we included predictor variables and applied a random intercept and fixed slope analysis that allows for intercepts to vary across groups, while slopes of the individual level (level 1) regressions across groups do not differ. In particular, we tested cross-level direct effects of individual brand-oriented HR practices on brand behaviors and cross-level mediating effects of brand knowledge between brand-oriented HR practices and brand behaviors.

As a first outcome variable, we included in-role brand behavior. In the null model, the across-dealer variance in in-role brand behavior was 0.009, the within-dealer variance was 0.460, the intercept was 6.475, and the pseudo R^2 was 0.45. Next, we investigated the partial mediation model and applied a random intercept and fixed slope model. The results are presented in Table 7. We found that brand-oriented training positively related to employee brand knowledge ($\beta = 0.176, p < 0.05$). Moreover, brand-oriented recruitment and employee brand knowledge have significant, direct, and positive effects on in-role brand behavior ($\beta_{rec} = 0.197, p < 0.01$; $\beta_{know} = 0.596, p < 0.001$). We also tested the indirect effects and found the indirect effect of training on in-role brand behavior through brand knowledge to be positive and significant ($\beta = 0.11, p\text{-value} = 0.043$; 95% confidence interval [0.003, 0.206]).

Table 7. Results of the multilevel analysis for in-role brand behavior as an outcome variable

Variables	Partial mediation model	
	Brand knowledge	In-role behavior
Brand-oriented recruitment	-0.147	0.197**
Brand-oriented training	0.176*	–
Brand-oriented perf. appraisal	-0.063	-0.008
Brand knowledge	–	0.596***
Age	–	0.120*
Pseudo R ²	0.45	
AIC	973.55	
BIC	1031.55	
Deviance	931.55	

Notes: Deviance = $-2 \times \log$ -likelihood. * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$

As a second outcome variable, we included participation in brand development. In the null model, the across-dealer variance in participation in brand development was 0.003, the within-dealer variance was 0.742, the intercept was 6.269, and the pseudo R² was 0.20. Next, we investigated the partial mediation model and applied a random intercept and fixed slope model. The results can be found in Table 8.

Table 8. Results of the multilevel analysis for participation in brand development as an outcome variable

Variables	Partial mediation model	
	Brand knowledge	Participation in brand development
Brand-oriented recruitment	-0.144	0.122
Brand-oriented training	0.176*	–
Brand-oriented perf. appraisal	-0.061	-0.031
Brand knowledge	–	0.469***
Age	–	0.135*
Pseudo R ²	0.20	
AIC	1070.91	
BIC	1128.91	
Deviance	1028.91	

Notes: Deviance = $-2 \times \log$ -likelihood. * $p < 0.05$; *** $p < 0.001$

The result of brand-oriented training on brand knowledge was very similar to the results in the previous model ($\beta = 0.176$, $p < 0.05$). In addition, employee brand knowledge positively

and significantly predicts participation in brand development ($\beta = 0.469, p < 0.001$). We also tested the indirect effect. We found that the indirect effect of training on participation in brand development through brand knowledge was positive and significant ($\beta = 0.08, p\text{-value} = 0.054$; 90% confidence interval [0.012, 0.152]).

As a third outcome variable, we included customer-oriented extra-role behavior. In the null model, the across-dealer variance in customer-oriented behavior was 0.417, the within-dealer variance was 0.682, the intercept was 5.868, and the pseudo R^2 was 0.09. Next, we investigated the partial mediation model and applied a random intercept and fixed slope analysis. We present the results in Table 9. Again, the effect of training on brand knowledge was very similar to the results above ($\beta = 0.176, p < 0.05$). Moreover, we found a direct, positive, and significant effect of brand-oriented performance appraisal on customer-oriented behavior ($\beta = 0.557, p < 0.001$). The influence of brand knowledge on this behavior was also positive and significant ($\beta = 0.340, p < 0.05$). However, we did not find the indirect effect of training on customer-oriented brand behavior through brand knowledge significant ($\beta = 0.06, p\text{-value} = 0.131$).

Table 9. Results of the multilevel analysis for customer-oriented extra-role behavior as an outcome variable

Variables	Partial mediation model	
	Brand knowledge	Customer-oriented behavior
Brand-oriented recruitment	-0.144	0.164
Brand-oriented training	0.176*	–
Brand-oriented perf. appraisal	-0.061	0.557***
Brand knowledge	–	0.340*
Age	–	-0.021
Pseudo R^2	0.09	
AIC	1073.78	
BIC	1131.79	
Deviance	1031.78	

Notes: Deviance = $-2 \times \log\text{-likelihood}$. * $p < 0.05$; *** $p < 0.001$

2.7 Discussion

In high-contact services, employees represent the link between a brand's internal and external environment. Despite the apparent importance of frontline employees for delivering brand promises and shaping customer brand perceptions, little empirical work has addressed how organizations can implement internal branding and motivate their employees to become true brand representatives. In our study, we showed that it is essential to observe the actual

internal branding activities at the organizational level if we are to understand the internal branding process and its effects on employees. Because individuals are nested within organizations, the research data is hierarchical. This should be taken into consideration during the theoretical and empirical stages of the study. Violating the hierarchical structure of the data can bring biased estimates and results (Hox et al., 2010). Besides measuring the implemented branding activities (and not employee perceptions about internal branding activities) and using multi-source and multilevel data, we investigated the impact of brand-oriented HR practices on brand-related employee outcomes.

By applying certain brand-oriented HR practices, such as selection of suitable candidates, comprehensive training programs, and developmental performance appraisals, we argued that organizations can achieve higher employee involvement in the brand and thus be more successful in implementing brand strategies (Aurand et al., 2005). In our study, we found that not all brand-oriented HR practices positively and significantly influence employee brand behaviors, as was posited in H1. We showed that brand-oriented recruitment positively influences in-role brand behavior, and that brand-oriented performance appraisal positively impacts customer-oriented extra-role behavior. Our results showed that not all brand-oriented HR practices contribute to brand behaviors to the same extent. Different practices guide different behaviors; thus, it is important to know on which HR practice put more emphasis to enhance certain brand behavior. Also, not all indirect relationships between brand-oriented HR practices and brand behaviors through employee brand knowledge were found to be significant, as was posited in H2. We found that brand-oriented training through employee brand knowledge enhances in-role brand behavior and participation in brand development, but not customer-oriented extra-role behavior.

2.7.1 Theoretical implications

Although several researchers and brand experts have emphasized the importance of HR activities for successful internal branding (Aurand, 2005; Burmann et al., 2009; Miles & Mangold, 2005), there is little theoretical foundation regarding brand-oriented HR activities. Our study fills this gap by providing a definition of brand-oriented HRM and comprehensively defining each of the brand-oriented HR practices. Our theory of brand-oriented HRM was mainly derived from Lepak and Snell's (2002) conceptualization of commitment-based HRM. We recognized brand-oriented recruitment, training programs, and performance appraisals as the main HR activities of brand-oriented HRM. We also investigated the impact of each of these activities on employee brand behaviors, directly and indirectly, through employee brand knowledge. Our results showed that brand-oriented HR practices play different roles in influencing brand knowledge and brand behaviors. Thus, it is necessary to investigate the effect of each of the brand-oriented HR dimensions. To the best of our knowledge, our study is the first to investigate these relations.

Moreover, there is a lack of measurement scales in internal branding to systematically measure brand-oriented HRM. Whereas Burmann et al. (2009) provided a general scale of brand-oriented HRM, Punjaisri et al. (2009b) measured HRM as part of internal brand communication. The closest study to measuring HR practices was a study by Chang et al. (2012). However, they did not measure each of the practices separately, instead measuring selection and evaluation as one dimension and training and reward as another dimension. In our opinion, internal branding research needed advancements in conceptualizing and measuring each of the HR practices separately to properly investigate its effects on individual-level outcomes. Thus, we developed a measurement scale for each of brand-oriented HR practices. We applied Lepak and Snell's (2002) HR configuration questionnaire to the branding field and systematically tested it among HR and marketing/branding experts in different industries.

Our empirical results supported the existing theory in internal branding and HRM (Foster et al., 2010; Prieto, Perez, & Martín, 2010). We found that brand-oriented recruitment influences in-role brand behavior. Recruitment based on the applicant's value congruence level rather than merely on technical skills can be more beneficial to organizations in developing brand behavior, as a person's values drive his or her behavior (de Chernatony, 2010). Moreover, we found brand-oriented performance appraisal to be a predictor of employees' customer-oriented behavior. As employees are evaluated on the basis of their contributions to the brand's objectives and as evaluations are gathered from multiple sources, which also includes customer feedback, employees are motivated to deliver exceptional services that consequently lead to higher customer satisfaction and higher sales performance (Baker et al., 2014; Podsakoff & MacKenzie, 1997).

Our results showed that brand-oriented training is the most effective brand-oriented HR practice to enhance brand behaviors through employee brand knowledge. Brand-oriented training is mostly cognitively oriented and provides employees with brand-related content that enhances their knowledge about the brand. Through training, employees can gain an understanding about the brand and their role as brand representatives. Training programs can convey the importance of the brand and educate employees about the unique and distinctive brand values and can provide employees with the skills needed to become successful brand representatives (Conduit & Mavondo, 2001; Hinkin & Tracey, 2010). Punjaisri et al. (2009) proposed training programs as a means to coach and develop employees' brand understanding about the attitudes and behaviors necessary to deliver the brand promise.

Our proposed definition of brand-oriented training – regarded as a strategy to develop knowledgeable and skilled employees who are motivated to carry out high levels of brand-building behaviors – is consistent with our empirical finding that training fosters employee brand knowledge. Via consistent brand-oriented training programs, employees develop adequate brand knowledge and skills that guide their brand behaviors. Brand-oriented training programs are comprehensive, long-term oriented, commitment-based and supportive

in motivating employees to accept the brand and truly live it (Chang et al., 2012). Moreover, training for salespeople adds value to a brand's offering, influences customer perceptions, and indirectly affects purchase intentions (Babin et al., 1999).

2.7.2 Managerial implications

Our study offers new insights for how to better design internal branding practices to grow a workforce of brand ambassadors (Xiong et al., 2013). Unraveling the effects of individual brand-oriented HR practices on employee brand knowledge and brand behaviors helps organizations to manage internal branding activities more effectively. The most important HR practice to enhance employee brand knowledge and consequently brand behaviors is brand-oriented training. For example, Southwest Airlines, a company that excels at implementing internal branding to create true brand representatives, employ training and development efforts to clarify and reinforce brand behaviors and values. They established the University for People to provide the brand knowledge and skills needed for the job and to enable employees to get to know the brand culture and values. Southwest's training also focuses on the employees' delivery of positively outrageous services that support the brand's main promises and values (Miles & Mangold, 2005). In conclusion, it is beneficial for organizations to invest in brand training to enhance brand knowledge and consequently brand-building behaviors.

Brand-oriented HR practices also directly influence brand behaviors. However, differential effects of HR practices on employees' brand behaviors suggest that proper application of individual HR practices is important (Chang et al., 2012). To enhance employee behaviors that reflect the brand identity, a focus on brand-oriented recruitment is recommended. By giving priority to candidates with higher employee-brand fit in the recruitment and selection processes, organizations can more easily develop employees' in-role behaviors, such as representing brand values and delivering the brand promises (Foster et al., 2010). Moreover, organizations can improve customers' service experiences through employee discretionary behaviors by focusing on a brand-oriented performance appraisal system. Consequently, brand behaviors strengthen the brand image, which in turn results in higher brand identification and better customer perceptions of the brand (Chang et al., 2012).

2.7.3 Strengths, limitations, and future research directions

One of the strengths of this paper is that the data was collected from two different sources (sales personnel and their supervisors). Multi-sourcing enabled us to eliminate the potential for common method bias. We took into account the multilevel structure of our data, as employees are not independent observations, but are rather nested within car dealers, and HR practices at the higher level influence employees at the individual level. As a future research direction, we propose to collect larger samples at both levels, which would probably lead to even stronger relationships between constructs. Moreover, in this study we took a dealership

as a Level 2, but in case a larger number of brands participate in the study, constructs at Level 2 could be measured at the brand level.

Despite the above-mentioned important contributions, the study is not exempt from limitations that can serve as areas for future research. Although our study was conducted in the automotive industry, which is among the leading industries in branding, and the sample included diverse brands and numerous dealers, it was set within the context of a single country and a single industry. Thus, there is a need for further investigation in other countries, companies, and industries to provide more support for our findings. It would also be possible to extend our study to car manufacturers to investigate the effects of internal branding activities on their employees. Because they are even more involved in shaping the brand and the products, a different perspective on internal branding could be explored.

By conceptually and empirically advancing brand-oriented HR practices, we offer a number of future research opportunities in internal brand management. Further research could incorporate other, non-cognitive employee-level outcomes that can also be a result of HR practices and drive employee brand behaviors, for example, brand affective commitment, brand identification, and internalization of brand values. Moreover, establishing a link between employee brand behaviors and brand performance outcomes, for example, sales, would increase the importance of internal branding.

3 FROM EMPLOYEE BRAND KNOWLEDGE TO SALES PERFORMANCE: A MULTILEVEL STUDY OF INTERNAL BRANDING PROCESS IN THE AUTOMOTIVE INDUSTRY²

Abstract

This study contributes to our understanding of the internal branding process at the employee level and its impact on sales results. Drawing on social learning theory, we develop and test a model linking employees' brand knowledge to sales performance via brand-related behavioral mediators. We also examine the cross-level interaction effect of brand class on the knowledge–behavior relationship. Using multi-level and multi-source data from European automobile dealerships, this study shows that knowledge indirectly and positively influences employees' sales performance, with in-role brand behavior and customer-oriented extra-role behavior as mediators. Moreover, for luxury brands, the relationship between brand knowledge and extra-role brand behaviors is stronger than for lower class brands. We advance the existing literature by showing that internal branding makes significant contributions to an employee's sales performance and that luxury brands are more successful in building the brand among employees.

Keywords: internal branding, brand knowledge, brand behavior, sales performance, automotive industry.

3.1 Introduction

Branding has emerged as a management priority in the last decades due to the growing realization that brands are among the most valuable intangible assets for organizations (Keller & Lehmann, 2006). Interbrand (2016) reports on brand values as high as \$178 billion. We conducted our study in the automotive industry, one of the leading industries in branding as reflected in existing brand rankings. In 2015, the automotive industry had the most brands (15) among 100 best global brands (Interbrand, 2015), while Global 500 (2016) reported on 27 car brands as being among the most valuable. The automotive industry influences the development of branding globally and has a long history of placing a significant amount of attention on building the brand inside and outside the organization (e.g., among employees, dealers, and customers). Our empirical study focuses on frontline employees of car dealers that sell world's leading car brands.

While some aspects of branding may be replicable by competitors, brands differ substantially in terms of employee behaviors and customer treatment (Parment, 2008). Organizations can build on brand differentiation by ensuring that frontline employees understand the brand and

² Article in the review process. Co-autorship with prof. dr. Maja Konečnik Ruzzier and prof. dr. Robert Kaše.

are able to deliver it in a consistent manner. Although the main objective of the internal branding process is to ensure brand-aligned behaviors of sales personnel (Baker et al., 2014; Punjaisri et al., 2009b), firms' ultimate goal of such encounters is sales increase. Past studies in services and internal branding have urged researchers to include outcomes like sales as outcomes of employee brand behaviors (e.g., Auh et al., 2014), but to date no research has studied specifically that aspect of branding influence. Therefore, in this study we examine how organizations can ensure employee behaviors (especially behaviors of sales people) that reflect the brand and reinforce positive customers' responses in terms of higher sales performance.

This article offers the following contributions to the existing literature. First, our study is the first to examine mediating mechanisms between employee brand knowledge and sales performance. We find that brand-building behaviors are important mediators in the internal branding process, which offers a significant contribution to the existing marketing literature, since the majority of existing studies included brand behaviors as outcome variables (Löhndorf & Diamantopoulos, 2014; Morhart et al., 2009; Xiong et al., 2013). However, not all brand-building behaviors turned out to be mediators. While in-role brand behavior and customer-oriented extra-role behaviors mediate the relationship between brand knowledge and sales performance, participation in brand development does not. Although brand behaviors have been argued as having positive effects on brand sales performance (Burmam & Zeplin, 2005; Hughes & Ahearne, 2010; Xiong et al., 2013), to date no research has provided evidence of it. By linking internal branding outcomes to sales performance, our study shows the importance of implementing internal branding and connecting employees with the brand in order to enhance the brand's success.

Second, we contribute to the existing research by showing that not all employees with brand knowledge display brand-building behaviors to the same extent. The influence of employees' brand knowledge on brand-building behaviors depends on brand class. We compare relationships across different brand classes, i.e., luxury, middle and lower middle. We hypothesize that employees selling higher class brands are exposed to a stronger brand culture, well-defined brand identity, and more controlled marketing efforts (Keller, 2009; Parment, 2008). Under these conditions, the relationship between employee brand knowledge and brand-building behaviors is predicted to be stronger. Our results show that the effect of brand knowledge on in-role brand behaviors does not differ across brand classes, while there are significant differences between brand classes for relations between knowledge and extra-role brand behaviors (i.e., participation in brand development and customer-oriented extra-role behaviors). To our knowledge, current research is the first to conceptually and empirically investigate a boundary condition that may influence the manifestation of brand cognition on employee brand behaviors. While previous studies have considered internal branding processes in general (e.g., Miles & Mangold, 2005; Xiong et al., 2013), regardless of how it varies for different brands, we offer a more profound understanding of internal brand management by showing how it differs across brand classes. Our results propose that

organizations should not undertake a general strategy for internal branding implementation, but rather adjust their strategy to accommodate the brand's class level.

Third, we shed light on the role of employee brand knowledge and its effect on brand behaviors. We find that brand knowledge positively affects different types of brand behaviors. Although brand knowledge is among the essential internal branding concepts (Chang et al., 2012; King & Grace, 2008), we note that employee cognition leading to brand-building behaviors has been seldom addressed. While a few scholars have recognized the importance of that aspect (Baumgarth & Schmidt, 2010; King & Grace, 2010; Löhndorf & Diamantopoulos, 2014; Xiong et al., 2013), past studies have mostly examined the impact of internal branding activities on employee brand attitudes or employee brand behaviors (Baker et al., 2014; Burmann et al., 2009; Morhart et al., 2009; Punjaisri et al., 2009a; Wallace et al., 2013). We add to the existing research by showing that brand knowledge impacts different types of brand-building behaviors and that those behaviors have different roles in internal branding. Taken together, these represent substantive theoretical and managerial contributions to an important and under-researched area.

The article is structured as follows. First, we review the literature on internal branding and discuss how our study differs from existing studies. Next, we conceptualize a research model (Figure 4) by building on the social learning theory. In the empirical section, we introduce the methodology used in our research and present the results. Finally, we conclude with a discussion of theoretical and managerial implications of this investigation, and subsequently present the study limitations and proposing future research directions.

3.2 Relevant literature review

In Table 10 we present a literature review of selected studies that are closely related to our research. We show how these studies provide important insights into the internal branding field, but also how our study is unique and how it contributes to the existing literature. Our first research question pertains to the indirect relationship between employee brand knowledge and sales performance via brand-related behaviors as mediators. There are only a few studies that have recognized the importance of employee brand cognition (see Table 10). Baumgarth and Schmidt (2010) did not find a direct relationship between knowledge and brand behaviors, while King and Grace (2010) and Xiong et al. (2013) did, though they did not examine this relationship's effect on different types of behaviors. Löhndorf and Diamantopoulos (2014) also found direct relations between brand knowledge and behaviors, but only examined them as part of an alternative model. To the best of our knowledge, no research has tested the mediating mechanisms of different brand-related behaviors in relation to brand knowledge and sales performance, which leads us to the next issue.

Table 10. Summary of key studies

Study	Brand-related variables (without outcome variable)	Mediating mechanism	Dependent variable	Moderation	Level of analysis	Data	Major findings
Baker et al. (2014)	Brand knowledge dissemination, employee perceptions of authenticity, brand value congruence perceptions, service ability, brand citizenship behaviors (BCB)	No. Individual relations tested.	Customer evaluations of employee service performance (customer satisfaction with the employee service)	No.	Individual	Multiple source: service employees (n=265), managers (n=68), archival records (customer satisfaction and employee length of employment) of US B2B firm in the hospitality industry	Knowledge dissemination positively related to brand authenticity and brand value congruence. Authenticity positively influences BCB and service ability. Value congruence relates positively to BCB, but does not influence service ability. Service performance positively influenced by service ability and BCB.
Baumgarth and Schmidt (2010)	Brand orientation (BO), brand knowledge, brand commitment, internal brand involvement, internal brand equity (IBE): loyalty, intra-role and extra-role behaviors	No. Individual relations tested	Customer-based brand equity (CBE) (manager assessed)	No.	Individual	Multiple source: employees (n=481) and managers (n=93) from German B2B companies	BO has direct effect on IBE, brand knowledge, brand commitment, and brand involvement. Commitment and involvement have direct effect on IBE, while knowledge has no direct effect. Involvement positively related to brand knowledge. IBE positively related to CBE.
Hughes and Ahearne (2010)	Salesperson brand identification, brand effort, brand extra-role behaviors	No. Individual relations tested	Brand performance (sales)	Yes.	Multilevel: individual and distributor	Multiple source: salespeople (n=210), supervisors (n=59), sales managers (n=18) and company records from US distributor sales firms	Brand identification positively influences brand effort and brand extra-role behaviors. Brand effort influences brand performance. Extra-role behaviors do not influence brand performance.

(table continues)

(continued)

Study	Brand-related variables (without outcome variable)	Mediating mechanism	Dependent variable	Moderation	Level of analysis	Data	Major findings
King and Grace (2010)	Brand knowledge dissemination, role clarity, brand commitment	No. Individual relations tested	Employee based brand equity: BCB, employee satisfaction, employee intention to stay, positive word of mouth (WOM)	No.	Individual	Single source: employees (n=371) from service-based industry	Knowledge dissemination positively related to role clarity and commitment. Role clarity and commitment have positive effect on employee based brand equity.
Löhdorf and Diamantopoulos (2014)	Employee-brand fit (EBF), brand knowledge (EBK), belief in the brand	Yes, organizational identification (OI) as a mediator	Employee brand behaviors (brand-congruent behavior, customer-oriented behavior (COB), WOM, participation in brand development (PBD)	Yes. OI moderates the relation between perceived organizational support (POS) and brand behaviors.	Individual	Single source and two phase: employees (n=124, t=1 and n=88, t=2) of one bank unit	OI positively mediates the relation between employee perceptions (EBF, EBK, and brand belief) and brand-building behaviors. POS positively related to PBD and WOM. OI negative impact on POS-brand-congruent behavior, and POS-COB relations, while positive impact on POS-PBD link.
Xiong et al. (2013)	Employee brand knowledge, employee brand importance, employee brand role relevance, brand commitment	No. Individual relations tested	Employee brand equity (brand endorsement, brand allegiance, discretionary brand consistent behavior)	No.	Individual	Single source: Hospitality employees (n=269) from an Australian research panel	Brand knowledge positively related to employee brand equity but not significantly associated with brand commitment.
Our study	Employee brand knowledge, employee brand-building behaviors (in-role brand behavior, participation in brand development, customer-oriented behavior)	Yes, brand-building behaviors as mediators	Employee sales performance	Yes. Brand class moderates the relation between brand knowledge and brand behaviors	Multilevel: individual and firm	Multiple source: salespeople (n=117), supervisors (n=35) and external sources (brands)	In-role and customer-oriented behaviors positively mediate the relation between knowledge and sales performance, while participation does not. Brand class moderates knowledge-participation and knowledge-customer-oriented behaviors.

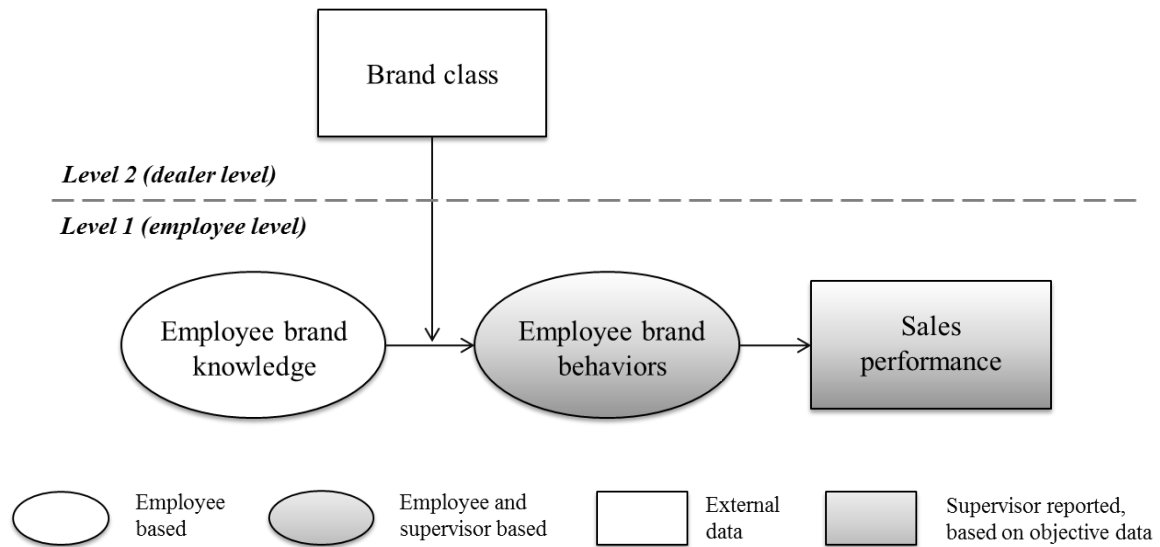
Baker et al. (2014), Baumgarth and Schmidt (2010), and Hughes and Ahearne (2010) are among the few to advance internal branding research by including non-employee-reported performance measures as outcome variables. Baker et al. (2014) measured customer satisfaction with employee service, while Baumgarth and Schmidt (2010) studied customer-based brand equity assessed by managers. The only study that examined the effect of brand behavior on brand sales performance was the study by Hughes and Ahearne (2010), but they did not find support for the relation. Our study is the first to establish a relationship between brand behaviors and employee sales performance. Regarding the second research question, Löhndorf and Diamantopoulos (2014) are among the few to explore the boundary conditions under which brand-building behaviors vary. However, they were interested in organizational variables as moderators, while we explore how the direct effect of knowledge on behavior varies for different brand classes.

To sum up, there is no extant marketing literature that has (a) examined mediating mechanisms between brand knowledge and sales performance (and also controlling for nested data), (b) confirmed the effect of internal branding process on sales of individual employees, and (c) tested cross-level interaction effects on brand-related behaviors. Although Löhndorf and Diamantopoulos's (2014) study comes closest to our goal, their study did not (a) examine the direct influence of brand knowledge on brand-related behaviors, (b) include sales performance as the outcome of brand behaviors, or (c) observe how internal branding at the employee level differs for different brand classes. It is to this end that we now propose our model.

3.3 Conceptual background and research hypotheses

The model we propose covers processes that seemingly have to take place in order for employee-focused brand strategies to impact sales performance of employees. Exploring the linkages between concepts may help to increase a theoretical and empirical understanding of the internal branding process at the individual employee level. Our conceptual model posits that employees' knowledge about the brand indirectly and positively influences sales performance of frontline employees via employee brand behaviors as mediators. Additionally, we examine the moderating role of brand class, measured at the dealer level, on the relationship between employee brand knowledge and brand-building behaviors at the individual level. To explain the process of internal branding we apply a single overarching theoretical framework that integrates the constructs in the model. We use the social learning (cognitive) theory by Bandura (1977a, 1986) that offers an insightful lens for examining how individuals' knowledge is transformed into behaviors. Figure 4 depicts our proposed model. We now detail our theoretical framework and present the hypotheses that link the constructs.

Figure 4. Conceptual model and data sources



3.3.1 Internal branding process: A social learning theory perspective

We support our theoretical model by introducing social learning theory to the internal branding field. Social learning theory (Bandura, 1977a) fits well with our study as it emphasizes the crucial role of a person’s cognition in encoding and performing behaviors. The theory posits that learning is a cognitive process that occurs in a social context. A person’s behavior is shaped by the influence of environment (e.g., social systems) and a person’s motivation to learn proactively from important social referents (Lam et al., 2010). Cognition plays a major role in forming behaviors, as people learn by observing others or through direct instructions. This type of learning is especially important in acquisition of novel responses and behaviors. Learning can occur by observing behavior and by observing the consequences of the behavior (i.e., vicarious reinforcement). Social learning theory draws heavily on the concept of modelling. Modelling stimuli can be a live model, where an actual person is demonstrating the desired behavior, or verbal instructions, where an individual describes the desired behavior in detail and instructs the participant in how to engage in the behavior. Modelling someone's behaviors and adopt them as our own aids the learning process (Bandura, 1977a, 1986; Rich, 1997; Rollins et al., 2014). By applying the view of modelling to internal branding, we believe that a model can be a brand champion, leader or even the brand itself.

An individual’s capacity to learn by observation enables him or her to acquire behavior without having to build up the behavior patterns by trial and error, which is known as reinforcement learning. With this type of learning, people learn from the consequences of their behavior (i.e., reinforcement); thus, they are likely to increase (decrease) the frequency of behavior that has resulted in positive (negative) consequences. This is also referred to as experiential learning. On the other hand, people can engage in vicarious learning by

observing others before engaging in a particular behavior, as doing so enables them to avoid needless and costly errors (Bandura, 1977a; Lam et al., 2010).

Internal branding is a process that promotes the brand to employees and educates them about it (Aurand et al., 2005). Consequently, branding aims to develop a clear position of the brand in the mind of employees and to guide their brand-adequate behaviors (Miles & Mangold, 2005). Internal branding is mostly based on the idea of vicarious learning; a process is implemented for employees to learn about the desired brand behaviors by observing others and through direct instructions. While employee learning through traditional reinforcement (learning by trial and error) is not desirable in service settings, as it may harm the brand image and negatively influences sales performance, vicarious learning has an even more important role in developing employee brand knowledge. Through the internal branding process, for example, with brand training, brand books, brand-oriented performance appraisals, and leaders' and brand champions' role modeling, organizations influence employees to learn about the brand and the desired behaviors. Acquired brand knowledge then guides their actual behaviors. Social learning theorists have also argued that "vicarious, imitative learning seems to better explain the rapid transference of behavior than does the tedious selective reinforcement of each discriminable response" (Davis & Luthans, 1980, p. 283). Such vicarious learning occurs by observing role models in a work setting, for example, direct supervisors or brand champions (Lam et al., 2010).

3.3.2 Individual-level processes: Employee brand knowledge, brand-building behaviors and sales performance

Employee brand behaviors are essential in delivering the brand promise to customers (Punjaisri & Wilson, 2011), especially in a service context, where customers' brand experience depends on behaviors of frontline employees. In line with past definitions (Löhndorf & Diamantopoulos, 2014; Morhart et al., 2009), we conceptualize employee brand-building behaviors as employee behaviors that are brand-congruent and importantly contribute to an organization's customer-oriented branding efforts. Employees who engage in such behaviors are recognized as brand champions. We recognize two essential types of employee brand behaviors, i.e., in-role brand behavior and extra-role brand behavior (Baumgarth & Schmidt, 2010; King & Grace, 2010; Löhndorf & Diamantopoulos, 2014; Morhart et al., 2009).

Employees must behave according to the brand when interacting with customers to build a consistent brand image and deliver on the brand promise (Miles & Mangold, 2005; Punjaisri et al., 2009b). This behavior is known as *in-role brand behavior*. In line with past research, we define it as the expected employee behavior that is prescribed by brand standards (Löhndorf & Diamantopoulos, 2014; Morhart et al., 2009). This behavior is about adherence to rules and standards, and therefore is considered to be part of employees' job requirements. Extra-role brand behaviors, on the other hand, are employee proactive behaviors that are non-

prescribed, are above and beyond role requirements, but are still consistent with the brand identity (King & Grace, 2010; Löhndorf & Diamantopoulos, 2014; Morhart et al., 2009). These behaviors are usually not explicitly acknowledged by formal compensation systems and are discretionary. Nevertheless, they significantly contribute to the performance of the organization. Extra-role brand behavior outlines what it means for employees to “live the brand” (Burmamann & Zeplin, 2005).

As part of extra-role brand behaviors, we include participation in brand development and customer-oriented extra-role behaviors in our study. *Participation in brand development* is defined as a proactive employee behavior that goes beyond the job description and indicates active involvement in nurturing and building the brand (Löhndorf & Diamantopoulos, 2014). *Customer-oriented extra-role behavior* is defined as employees’ discretionary behavior beyond formal job requirements that enhances customers’ service experience (Bettencourt & Brown, 1997; Auh et al., 2014). Because frontline employees represent the “face” of the firm, their behaviors tend to have a long-lasting effect on customers (Auh et al., 2014). Moreover, an employee’s customer orientation seems crucial for brand building in the sense that companies with strong brands provide high quality services for customers (Löhndorf & Diamantopoulos, 2014). Our definition of customer-oriented extra-role behavior focuses on the importance of frontline employees “delighting” the customer by going “out of the way” or “beyond the call of duty” (Bettencourt & Brown, 1997). This helping behavior involves voluntary forms of customer assistance that are not formally required but are still implemented, such as staying past one’s shift to continue to serve customers (Auh et al., 2014).

Service employees should learn about the brand (i.e., brand identity and values) and transform such explicit brand knowledge into meaningful service encounters with customers through their brand-aligned behaviors (Chang et al., 2012; Vallaster & de Chernatony, 2006). Similar to how customers use their subjective brand knowledge to make easy purchase decisions (Bettman et al., 1990), employees also use their brand knowledge as an effective cue to make decisions on how they are supposed to perform in their organization, especially when dealing with unexpected situations in service encounters. Deriving from Keller’s (1993) definition of brand knowledge and upgrading it through subsequent explanations in the branding literature, we define employee brand knowledge as a cognitive representation of distinct brand identity in employees’ memory (Baumgarth & Schmidt, 2010; Löhndorf & Diamantopoulos, 2014).

As a result of employee brand knowledge, employees get directions on how they are expected to behave on their job (King & Grace, 2009; Mukherjee & Malhotra, 2006). When employees know and understand the effectiveness of their job performance, they are more likely to exhibit positive work behaviors (Hackman & Oldham, 1975, 1976). Thus, employees with brand knowledge are more likely to exhibit brand-aligned behaviors in a consistent manner. The knowledge of what the brand values are and how to deliver the brand are necessary to

engender employees' brand behaviors. In their study, Löhndorf and Diamantopoulos (2014) showed the significant, direct effect of brand knowledge on brand-building behaviors. They proposed that brand knowledge is an additional "behavior-guiding" effect, alongside organizational identification, that enhances brand-building behaviors, such as in-role behavior and participation in brand development.

Employees who exhibit customer-oriented extra-role behaviors demonstrate an external focus, making them more inclined to deliver brand services that meet or exceed customer expectations, which can lead to higher sales performance (Podsakoff & MacKenzie, 1997). By displaying high levels of customer-oriented brand behaviors, salespeople provide high quality services as they are being more helpful, courteous, and knowledgeable in their interactions with customers. Customers are more likely to notice the consistency of employee behaviors with brand messages, experience an enjoyable brand interaction, develop a positive brand opinion, and make a purchase. Salespeople tend to create customer value by identifying and satisfying customer needs. This added value increases the attractiveness of a firm's offering, i.e., the brand, and thus is a strong direct predictor of customer purchasing intentions. Consequently, an increase in customer value will likely result in purchasing a brand. Sales may increase as a result of immediate purchases and customer retention. Customer-oriented behavior may also generate sales through good "word-of-mouth" advertising, whereby satisfied customers share their experiences with family and friends (George & Bettenhausen, 1990; Homburg, Müller, & Klarmann, 2011). Overall, by providing exceptional brand-aligned services, frontline employees tend to enhance their sales performance.

Although no study to date has empirically verified whether brand-building behaviors mediate the relationship between employee brand knowledge and sales performance, there are a few studies that have proposed various brand behaviors as mediators between internal branding variables and various performance measures. For example, Baker et al. (2014) found that brand citizenship behaviors link internal brand-related concepts to consumer-related performance outcomes. Baumgarth and Schmidt (2010) proposed the influence of brand knowledge on brand behaviors that consequently will affect customer-based brand equity, but did not find support for the hypothesis. Hughes and Ahearne (2010) found a positive effect of employee brand identification on brand extra-role behaviors, though no effect of brand behavior on sales performance.

In line with the theory and past research, we propose the following mediating mechanisms. Employee brand knowledge offers employees a basis for how to behave according to brand standards and leads to in-role brand behavior, which motivates employees to provide exceptional services for customers, resulting in higher sales. Moreover, knowledge about the brand motivates employees to participate in the development of the brand (e.g., providing ideas on how to strengthen the brand, giving customer feedback), which directly leads to employee extra-role behaviors oriented towards customers, again resulting in better sales

performance. We also hypothesize that knowledge about the brand directly influences customer-oriented extra-role behaviors of employees. Exceptional services motivate customers to buy the brand, which is reflected in higher sales. Therefore, we propose the following hypotheses:

H1: In-role brand behavior and customer-oriented extra-role behavior mediate the positive relationship between employee brand knowledge and sales performance.

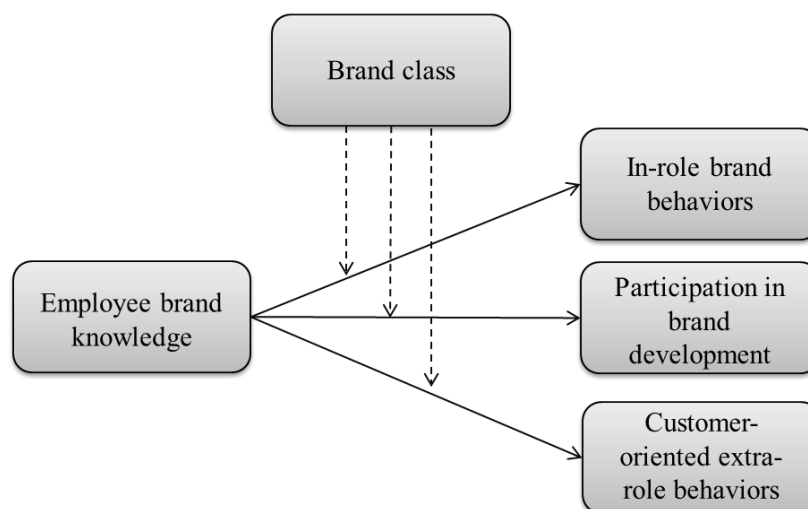
H2: Participation in brand development and customer-oriented extra-role behavior mediate the positive relationship between employee brand knowledge and sales performance.

H3: Customer-oriented extra-role behavior mediates the positive relationship between employee brand knowledge and sales performance.

3.3.3 Cross-level interaction effect: moderating effect of brand class on the knowledge-behaviors relationship

Having argued that frontline employees with adequate brand knowledge engage in more brand-building behaviors, our next hypothesis is concerned with whether this relationship varies depending on the class of the brand that employees sell. Therefore, we analyze the moderating effect of a higher-level factor, i.e., brand class, which will help us to depict the condition under which employee knowledge about the brand is most likely to result in positive employee brand behaviors (see Figure 5). Brand class reflects the level of brand quality and price as can be shown in such brand categorization as luxury, mid-range, and budget brands (Belonax & Javalgi, 1989; Kwun & Oh, 2004; Oh, 2000). Based on the review of luxury branding literature, several important parallels can be drawn to internal brand management and its differentiation among brand classes.

Figure 5. The interaction effect of brand class on knowledge–behavior relationship



Brands in higher classes are generally better suited for conveying the intangible (and thus the additional) benefits. They, for instance, convey uniqueness, affiliation, prestige, high quality, emotional value and social value (Albrecht, Backhaus, Gurzki, & Woisetschlager, 2013; Vigneron & Johnson, 1999). Similarly, as consumers purchase higher class brands to express themselves and satisfy needs for social representation and position, employees can perceive a brand they work for as an important part of their self-concept, which can motivate them to work on behalf of the brand (Ashforth & Mael, 1989; Cable & Turban, 2003; Vigneron & Johnson, 2004). They may value, for example, the prestige, exclusivity, or fashionability of a brand because of how it relates to their self-concept (Cable & Turban, 2003; Keller, 1993). A person's self-concept is influenced, in part, by the attributes that others may infer about them from their brand membership (Kimpakorn & Tocquer, 2010). Because being part of a particular brand/organization is a concrete, public expression of a person's values and abilities, employees feel proud to work for and represent that brand. An organization or product as a "brand" can add this value to a job beyond the attributes of the job itself (e.g., work content, pay) (Cable & Turban, 2003). Working for highly regarded brands instills in employees a sense of prestige appreciated by their reference groups, thus enhancing their self-esteem and motivation to use their skills and knowledge to support the brand, for example to display brand-related behaviors (Lievens, Van Hoyer & Anseel, 2007; Vomberg, Homburg, & Bornemann, 2015).

According to social learning theory, associational preferences are of major importance when learning and transforming acquired knowledge into behavior. If people associate/identify with someone or something (the model), they are motivated to learn from him or it and consequently turn their knowledge into desirable behaviors (Bandura & Huston, 1961; Bandura, 1977b). By applying the theory to internal branding, we postulate that the more employees associate or identify with the brand, the more motivated they are to transform brand knowledge into brand-building behaviors. As luxury brands are more interesting and attractive to identify with, we expect a stronger relationship between employee brand knowledge and brand behaviors for higher class brands than for lower class brands.

The second major differentiation among brands in different brand classes lies in their commitment to brand building. Employees of higher class brands are exposed to a strong brand culture, well-defined brand identity, and highly controlled and consistent marketing efforts. A lot of resources are invested in brand building and in brand-related activities, such as educating sales personnel about the brand, which brings the brands a stronger competitive positioning in comparison to organizations whose core values are linked more to products and services than to branding (Kapferer & Bastien, 2009; Keller, 2009). Moreover, higher class brands are recognized by their brand distinction and exclusivity (Parment, 2008). In such an environment, employees associate more specific and unique associations with the brand (Albrecht et al., 2013), which offers them a more clear idea about the brand and helps them to translate brand knowledge into brand-supporting behaviors. Vomberg et al.'s (2015)

study reveals a positive interaction between human capital and brand equity. In the presence of a strong brand, employees are motivated to deploy their human capital, (e.g. their knowledge) to create greater customer value through brand-aligned behaviors.

Consistent branding is of high priority for luxury brands (Hagtvedt & Patrick, 2009). These brands excel at brand communication and brand cues that are consistent over time and distribution channels (Albrecht et al., 2013). Brand consistency enables employees to have a clearer idea how to transform brand knowledge into brand-supporting behaviors. Moreover, luxury brands also excel at ensuring that all aspects of the marketing program are aligned in order to deliver high quality products, services, and consumer experience. Distribution is usually highly selective and controlled to ensure that it closely aligns with the brand promise (Keller, 2009). Under these conditions, the relationship between employee brand knowledge and brand-building behaviors is predicted to be stronger.

Higher class brands therefore convey two important advantages over lower class brands: a) exclusivity, prestige, and uniqueness of luxury brands install pride in employees and invoke their self-enhancement; and b) great strategic brand management results in a well-known brand identity, clear brand mission and values, strong brand image, consistent brand cues over all brand touchpoints, and highly controlled distribution that enables consistent branding across the entire distribution chain (Keller, 2009). Based on these characteristics, it is more likely that for luxury brands the knowledge of frontline employees will more strongly guide employee brand behaviors. We predict that for lower middle-class brands, the relationship between employee brand knowledge and employee brand behaviors is weak and positive, while for luxury brands the relationship between employee brand knowledge and employee brand behaviors is strong and positive. Therefore, we present the following hypothesis:

H4: Brand class positively moderates the relationship between employee brand knowledge and brand-building behaviors ((a) in-role brand behavior, (b) participation in brand development, and (c) customer-oriented extra-role behavior), such that the relationship is stronger for luxury brands.

3.4 Methodology

3.4.1 Context and study design

Understanding the involvement of employees in brand building is vital for organizations that profoundly rely on brands, which is the case with the automotive industry. The automotive sector is among the most dominant industries in branding, and their leadership is well demonstrated in existing brand rankings. According to the Interbrand valuation in 2015, the automotive industry had the most brands (i.e., 15) among 100 best global brands (Interbrand 2015). Also in 2015 Forbes list of the world's most valuable brands included 13 car brands (Forbes, 2015); Eurobrand's (2015) ranking placed eight automotive corporations among the

global top 100 brand corporations; and Global 500 (2016) reported on 27 car brands as being among the most valuable brands. The automotive industry places a significant amount of attention on building their brands among all important stakeholders (employees, dealers, and customers). Automakers also place substantial strategic importance on how sales personnel represent the brand and treat customers. Thus, they continuously provide extensive brand training and communication activities for dealers, in particular for sales managers and sales personnel. Dealers are expected to focus actively on customer service excellence that is in line with the brand. Thus, the car dealer setting is an appropriate context for testing the effect of internal branding on frontline employees' brand knowledge, behaviors, and sales performance.

New car salespeople and their direct supervisors at car dealerships in one country are participants in our study. We included all major car dealers and leading automotive brands: Audi, BMW, Dacia, Mercedes-Benz, Opel, Peugeot, Renault, Škoda, Toyota, and Volkswagen. Our sample included five brands (Audi, BMW, Mercedes-Benz, Toyota, and Volkswagen) that are among 100 best global brands on the Interbrand ranking 2015 and seven brands (Audi, BMW, Mercedes-Benz, Peugeot, Renault, Toyota, and Volkswagen) that are among the most valuable brands of 2015 on Global 500 (2016). Due to multilevel analysis requirements, only car dealers with at least two salesmen per brand were invited to participate in the study. We contacted all car dealers that met this requirement. A total of 35 car dealers agreed to participate, which yielded a 59.3% response rate. The number of frontline employees per dealer ranged from two to six.

We prepared the surveys by employing previously developed and well-established scales, whenever possible. Due to a lack of scales in internal brand management, one scale from other field had to be adapted to the branding context (i.e., Flynn & Goldsmith's (1999) subjective consumer knowledge scale). Before conducting the main study, we qualitatively assessed the scales. This included face-to-face interviews with 10 HR and marketing managers from different industries, using the whole questionnaire as a guide. The aim of these interviews was to determine face validity, clarity of expressions, and accuracy of how the questions addressed practices in companies. After the questionnaire was accordingly revised, additional interviews with three managers and two employees from the automotive industry were conducted to ensure the appropriateness of the questions for this industry.

We prepared the surveys initially in English, but due to non-English speaking participants, we adopted the back-translation process (Brislin, 1986). The first bilingual translator translated the items from English. Then, the original English items and translations were discussed with 13 HR and marketing managers. After an agreement on correct words and expressions was reached, a second bilingual translator did backward translations independently. Finally, the first translator compared the original English items with the back-translated English items and verified that the back-translated version was an equivalent to the original English survey.

The data were collected on-site. Respondents received the surveys along with an envelope and a cover letter explaining the purpose of the study and assuring confidentiality. Each survey had a unique code that enabled us to maintain confidentiality of responses and to match frontline employee and supervisor responses. Employees provided data for brand knowledge, in-role brand behavior, participation in brand development, and their demographic information. Supervisors rated each employee's customer-oriented extra-role behavior and reported each employee's sales performance.

3.4.2 Sample

The constructs in the framework of this study were measured with data obtained from multiple sources (i.e., frontline employees and their immediate supervisors) and at multiple levels (i.e., dealer and employee level). Whereas brand knowledge and brand behaviors are measured on the basis of information obtained from the salespeople, outcome variables (customer-oriented extra-role behavior and sales performance) are measured based on data collected from the supervisors. This approach allowed us to eliminate the potential for common method bias that can produce significant non-substantive correlations among constructs (Podsakoff et al., 2012).

One of the authors contacted and visited the dealers and distributed the surveys. A total of 152 employees completed the surveys, of which 117 were frontline employees and 35 were their supervisors. Each supervisor evaluated between two and six frontline employees. We matched frontline employee surveys with the supervisor surveys for a final sample of 117 frontline employee-supervisor pairs from 35 dealers/supervisors. Of the frontline employees, 83% were male, the average age was 37 years, and the average tenure was 8.8 years. All employees reported customer contact on a daily basis. Of the supervisors, 77% were male, the average age was 40 years, and the average tenure was 13 years.

3.4.3 Measures

All constructs, except sales performance and brand class, were measured with a seven-point Likert scale, ranging from *strongly disagree* (1) to *strongly agree* (7). Sales performance was measured on a four-point scale.

Employee responses. Frontline employees responded to the scales of employee brand knowledge, in-role brand behavior, and participation in brand development. We measured employee brand knowledge with three items adapted from Flynn and Goldsmith's (1999) short subjective knowledge scale. Because the original scale measures consumers' knowledge about the product, we adapted it to measure the general knowledge about the brand. In-role brand behavior was assessed with scales from Löhndorf and Diamantopoulos (2014), Morhart et al. (2009), and Xiong et al. (2013). The scale consists of four items and it evaluates the

consistency of employee behavior with the brand. Participation in brand development was measured with a four-item scale from Löhndorf and Diamantopoulos (2014) and Morhart et al. (2009). The measure captures employees' voluntary cooperation in advancing the brand.

Supervisor responses. Supervisors provided information on customer-oriented extra-role behaviors and sales performance. Supervisors responded to the scale of each frontline employee's customer-oriented behavior. We measured this behavior with four items developed by Bettencourt and Brown (1997) and later adapted by Netemeyer et al. (2005) and Auh et al. (2014). The last measure reported by supervisors was employees' sales performance. Although we planned to collect data on sales numbers for each employee, this was not possible due to the confidentiality of such data. In order to obtain the performance data, we asked supervisors to report for each frontline employee whether he/she achieved sales goals. This information is based on number of cars sold by each frontline employee. We used a four-point scale, with answers *not achieving* (1), *achieving* (2), *exceeding* (3), and *greatly exceeding* (4). We used supervisor-rated measures of employee behavior and performance for several reasons. First, employees may overrate their performance. Second, supervisor-rated measures of employee behavior and performance are more valid than are employee self-ratings (Netemeyer et al. 2005).

Brand class. We measured brand class by sorting participating automotive brands in three groups: (1) lower middle-class brands, (2) middle-class brands, and (3) luxury brands. First, allocation of brands in groups was based on participants' evaluations, using the q-sort method (Andrews, Drennan, & Russell-Bennett, 2012). Employees (n=85) sorted car brands based on brand similarity in non-predetermined groups and labelled the groups. The online card sorting tool OptimalSort was used. Of all the participants, 92% grouped Audi, BMW and Mercedes-Benz together and labelled the group Premium, Prestige, Luxury, Higher class, etc. 65% of participants similarly sorted the brands into the following groups: *Premium* (Audi, BMW, Mercedes-Benz); *Middle-class* (Opel, Peugeot, Renault, Toyota, Škoda, VW); and *Lower middle-class* (Dacia). Second, we used secondary data for sorting. Mercedes-Benz, BMW, and Audi were among the best global luxury brands in 2014 (Luxury Society, 2014). Mercedes-Benz was positioned as first, BMW as second, and Audi as fifth best global luxury brand (Luxury Society, 2014). Scientific papers and leading car magazines also categorized these brands as luxury (e.g., Automobile Magazine, 2014; Car and Driver, 2016; Kapferer & Bastien, 2009; Keller, 2009; Reddy, Terblanche, Pitt, & Parent, 2009; Statista, 2015a; Štrach & Everett, 2006). Volkswagen, Renault, Opel, and Peugeot are the biggest mainstream brands in Europe (Jato, 2016). Toyota also belongs to this group, as it has been named the top mainstream brand seven times. Dacia is positioned as a budget car (Auto Express, 2016; Car Magazine, 2016), while Škoda used to be a budget car (Telegraph, 2016). In recent years, it has progressed to lower middle-class segment and still ranks lower than our mainstream brands. Third, we sorted brands in groups based on car prices. We calculated the average car price for each brand. Car prices of luxury brands are on average twice as high as prices of mainstream cars (Statista, 2015b). Peugeot, Renault, Opel, Toyota, and VW had very similar

prices, ranging from 16.293€ to 17.447€, while Škoda and Dacia cars are, on average, considerably cheaper. Based on the above criteria, we placed Audi, BMW, and Mercedes-Benz in group *Luxury*; Peugeot, Renault, Opel, Toyota, and VW in group mainstream brands or *Middle-class*; and Škoda and Dacia in group *Lower middle-class*.

Control variables. Several control variables were included in our analyses. In doing so, we accounted for the unique contribution of the hypothesized relationships in the presence of other variables and thereby ruled out alternative explanations. The recommendation for choosing the most relevant control variables is theoretical relevance and/or significant zero-order correlations between control variables and main variables (Auh et al., 2014). We considered employee age, tenure, job satisfaction, and general self-efficacy as control variables, as these may be related to the work-related behaviors and sales performance. Job satisfaction was measured with the three-item scale from Hackman and Oldham (1975) and general self-efficacy with the four-item scale by Schwarzer and Jerusalem (Romppel et al., 2013). According to Bandura (1986) people's self-percepts of efficacy may influence their behaviors and thought patterns, while job satisfaction is considered as an alternative predictor of employee brand-building behaviors (Löhndorf & Diamantopoulos, 2014, Wieseke et al., 2009).

3.4.4 Measurement model

We assessed the quality of the measurement scales at the employee level by conducting a confirmatory factor analysis (CFA). We estimated two measurement models separately for employees' self-reported data and for leaders' data rating the employee behavior. The first measurement model (i.e., employee model) included the constructs of employee brand knowledge, in-role brand behavior, and participation in brand development. After eliminating an item of *Participation in brand development* due to low R^2 (0.3), the model demonstrated a very good fit for the data: ($\chi^2(df) = 39.15(32)$, p -value = 0.18, $\chi^2/df = 1.22$; CFI = 0.989; TLI = 0.985; RMSEA = 0.044, p -value = 0.56; and SRMR = 0.041). The second measurement model only included employee extra-role behavior toward customers that was assessed by the leader. The model indicated a very good fit for the data: ($\chi^2(df) = 4.06(2)$, p -value = 0.132, $\chi^2/df = 2.03$; CFI = 0.993; TLI = 0.979; RMSEA = 0.099, p -value = 0.201; and SRMR = 0.016). All constructs achieved higher than 0.70 for composite reliability and higher than 0.50 for average variance extracted (AVE) (Bagozzi & Yi, 1988). These findings provide evidence for the convergent validity of the constructs. In addition, discriminant validity was also achieved. The squared correlation between any two constructs is less than the AVE of those two constructs (Fornell & Larcker, 1981). The measurement items and standardized factor loadings are provided in the Appendix C. The descriptive statistics and relevant psychometric properties of the study constructs are reported in Table 11.

Table 11. Descriptive statistics, reliability and validity tests, correlation matrix

Variables	M	SD	α	CR	AVE	1	2	3
1. Brand knowledge	6.31	0.79	0.90	0.91	0.76			
2. In-role behavior	6.47	0.80	0.88	0.88	0.65	0.71		
3. Participation	6.28	1.01	0.80	0.82	0.60	0.45	0.45	
4. Customer-oriented behavior	5.83	1.19	0.91	0.91	0.72	0.21	0.23	0.08
5. Sales performance	2.34	0.85						
6. Brand class	1.72	0.45						

Notes: Numbers in the matrix represent correlations between constructs. Variables from 1 to 4 were measured on a 7-point Likert scale, variable 5 was measured on a 4-point Likert scale, and variable 3 had three values (1, 2, and 3).

3.4.5 Multilevel data analysis

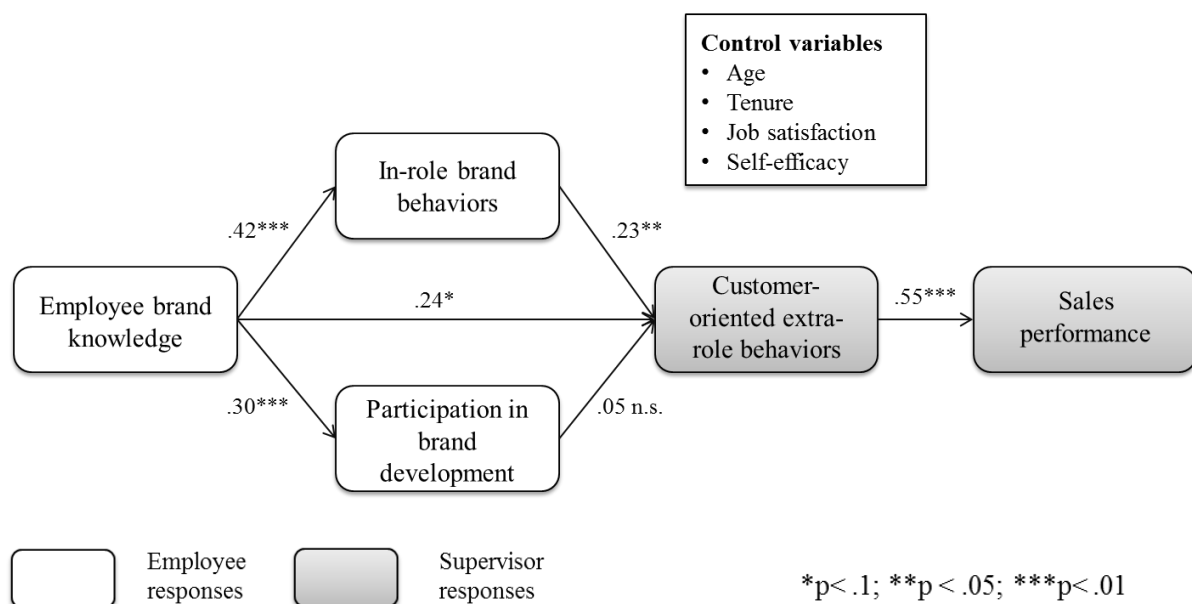
We tested our model by conducting a multilevel path analysis in Mplus 7.0. Multilevel modelling (MLM) is appropriate for our research because the framework involves a relationship of constructs at both the individual level and the dealer level. The data are hierarchical, with employees nested within different dealer shops. Moreover, supervisors reported employee customer-oriented behavior and sales performance. This violates the assumption of independence of observations at the lowest level and gives rationale for using MLM. MLM accounts for the nested nature of the data and enables the simultaneous estimation of relationships between variables at different levels. In addition, MLM controls for the dealer-level variance when estimating the relationships between employee-level variables (Auh et al., 2014; Chuang & Liao, 2007; Hox et al., 2010). Researchers highly recommend mean-centering exogenous variables prior to hypotheses testing. This enables an unbiased estimate of the cross-level effects and makes the interpretation of the findings easier. In estimating our model, variables were grand mean-centered (Geiser, 2012; Hox et al., 2010). Maximum likelihood estimator with robust standard errors was applied.

Prior to hypotheses testing, we conducted the tests to check whether it is justifiable to apply a multilevel approach. We tested if data at the individual level had a considerable variance between dealers. We calculated intra-class correlations for all individual level variables. For brand knowledge ICC1 is 0.47 and ICC2 is 0.75, for in-role brand behavior ICC1 is 0.001 and ICC2 is 0.005, for participation in brand development ICC1 is 0.08 and ICC2 is 0.21, for customer-oriented extra-role behavior ICC1 is 0.50 and ICC2 is 0.77, and for sales performance ICC1 is 0.66 and ICC2 is 0.87. Cohen et al. (2013) report that even very small ICC values (i.e., 0.05 or 0.10) can lead to considerable bias in evaluation of statistical significance in conventional regression analyses. Since there is a meaningful between-dealer variance in the employee level variables, ICCs above 0.05 indicate that individual differences are due to differences between dealers, these findings provide evidence that an MLM approach is appropriate.

3.4.6 Results of hypotheses testing

First, we investigated the relationships between variables at the employee level while controlling for differences between dealers. We allowed for intercepts to vary across groups, while slopes of the individual level (level 1) regressions across groups do not differ. The results from testing H1, H2, and H3 are presented in Table 12. This model explains 47.9% of the total variance in in-role brand behavior, 43.3% of participation in brand development, 16.2% of customer-oriented behavior, and 43.6% of employees' sales performance, suggesting good overall predictive power. Indicators of model fit are AIC = 860.60, BIC = 941.88, and deviance = 800.60. The results of the hypotheses testing are presented in Figure 6.

Figure 6. Results of the path analysis at the employee level



As Table 12 indicates, employee brand knowledge is related significantly to in-role brand behavior ($\beta = 0.42$, $p < 0.001$), and in-role brand behavior is significantly related to customer-oriented behavior ($\beta = 0.23$, $p < 0.05$). Moreover, customer-oriented behavior is positively and significantly related to sales performance of individual employees ($\beta = 0.55$, $p < 0.001$). To test for mediation, we found the indirect effect of brand knowledge on sales performance via in-role and customer-oriented behaviors to be positive and significant ($\beta = 0.053$; p -value = 0.49; 90% confidence interval (CI) [0.009, 0.097]). Accordingly, in-role brand behavior and customer-oriented behavior mediated the relationship between employee brand knowledge and individual sales performance, which supports H1.

Table 12. Results of the multilevel analysis at the employee-level

Independent variable	Dependent variable	Estimates	(z-values)
Brand knowledge	In-role brand behavior	0.42***	(5.19)
	Participation in brand development	0.30***	(4.45)
	Customer-oriented behavior	0.24*	(1.83)
In-role brand behavior	Customer-oriented behavior	0.23**	(2.26)
Part. in brand development	Customer-oriented behavior	0.05 n.s.	(0.48)
Customer-oriented behavior	Sales performance	0.55***	(8.69)
Age	Participation in brand development	0.16**	(2.23)
	Sales performance	-0.20***	(-2.76)
Tenure	Participation in brand development	-0.19**	(-2.56)
	Customer-oriented behavior	-0.24**	(-2.34)
	Sales performance	0.48***	(5.86)
Job satisfaction	In-role brand behavior	0.29***	(4.34)
	Participation in brand development	0.28***	(2.88)
Self-efficacy	Participation in brand development	0.19*	(1.86)
	Customer-oriented behavior	-0.35***	(-3.09)

Notes: Standardized path coefficients are reported. Only significant effects of control variables are shown. * $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$

Moreover, employee brand knowledge is significantly related to participation in brand development ($\beta = 0.30$, $p < 0.001$), while we did not find a significant relationship between participation in brand development and customer-oriented behavior ($\beta = 0.05$, *n.s.*). Consequently, the indirect effect of employee brand knowledge on sales performance through participation in brand development and customer-oriented behavior is non-significant ($\beta = 0.007$; p -value = 0.628). In conclusion, participation in brand development does not mediate the relationship between employee brand knowledge and sales performance; hence, H2 is not supported.

To test H3, we measured the direct effect of employee brand knowledge on customer-oriented behavior and found a significant relationship ($\beta = 0.24$, $p < 0.1$). Moreover, customer-oriented behavior is related positively and significantly to sales performance of individual employees ($\beta = 0.55$, $p < 0.001$). To test the indirect effect of employee brand knowledge on sales performance through customer-oriented behavior, we conducted parametric bootstrapping. The results support mediation, as the indirect effect of brand knowledge on sales performance via customer-oriented behaviors is positive and significant ($\beta = 0.131$; p -value = 0.085; 90% confidence interval (CI) [0.006, 0.256]). Accordingly, customer-oriented behavior mediates the relationship between employee brand knowledge and individual sales performance, which supports H3.

We also tested the moderating effect of brand class on the relationship between employee brand knowledge and brand building behaviors (H4). Because brand class is a variable at the dealer level, and employee brand knowledge and behaviors are variables at the employee level, we introduced a cross-level interaction. This means that the relationship between the individual-level predictor and the outcome varies depending upon the values of the group-level predictor. We adopted a random intercept and random slope model that allowed for both intercepts and slopes of the individual level to vary across groups (Geiser, 2012). As Table 13 indicates, brand class has a significant positive impact on the link between employee brand knowledge and participation in brand development (H4b: $\beta = 0.32$, $p < 0.01$) and customer-oriented behavior (H4c: $\beta = 0.60$, $p < 0.01$). However, the moderating effect with respect to in-role brand behavior, proposed in H4a, although also positive, is not statistically significant (H6a: $\beta = 0.17$, *n.s.*).

Table 13. Results of cross-level interaction

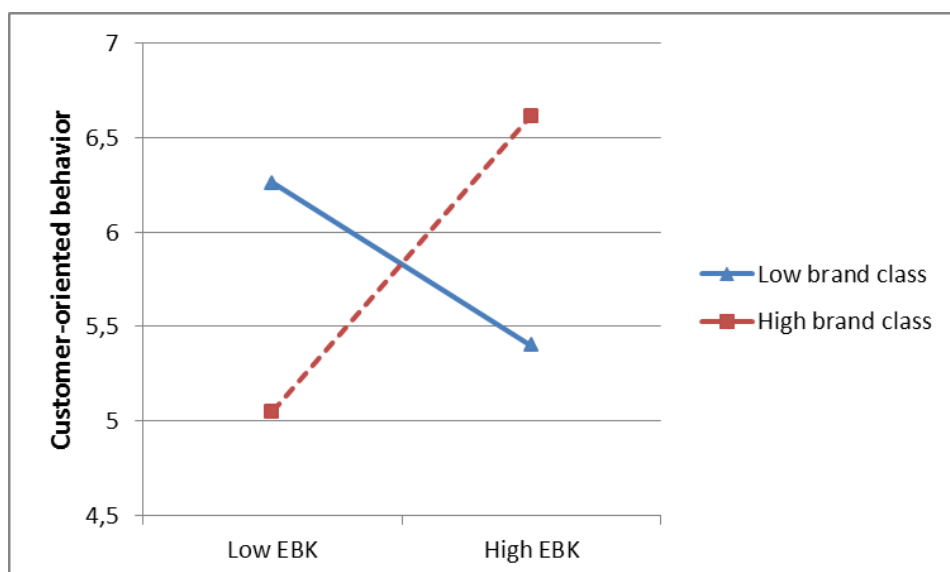
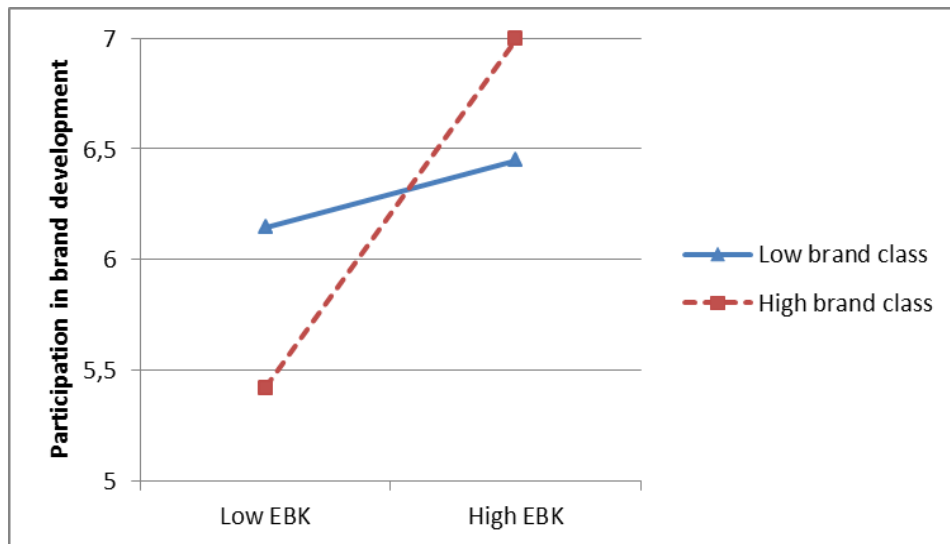
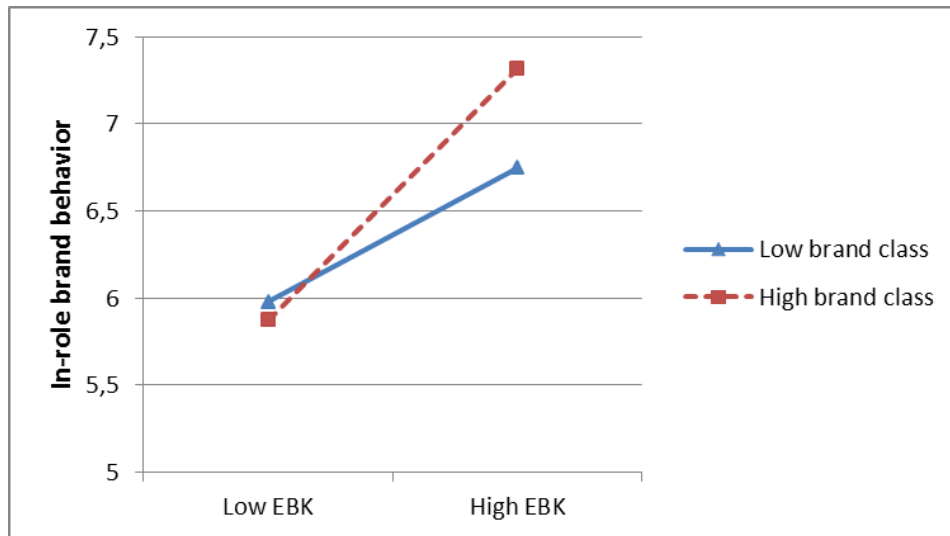
Independent variable	Dependent variable	Estimates	(z-values)
Brand class \times brand knowledge	In-role brand behavior	0.17 n.s.	(1.58)
Brand class \times brand knowledge	Participation in development	0.32**	(2.96)
Brand class \times brand knowledge	Customer-oriented behavior	0.60**	(2.91)

Note: ** $p < 0.01$

Results of multilevel analysis and simple slope analysis revealed the following. The effect of brand knowledge on in-role brand behavior does not differ significantly between brand groups ($\beta = 0.17$, $z = 1.58$, $p = 0.115$). However, the effect of brand knowledge on participation in brand development differs significantly between brand groups ($\beta = 0.32$, $z = 2.96$, $p = 0.003$). For luxury brands, the relationship between brand knowledge and participation in brand development is positive and strong ($\beta = 0.79$), whereas for lower class brands, the relationship between brand knowledge and participation in brand development is positive and weak ($\beta = 0.15$). Also, the effect of brand knowledge on customer-oriented behavior differs significantly between brand groups ($\beta = 0.60$, $z = 2.91$, $p = 0.004$). For luxury brands, the relationship between brand knowledge and customer-oriented behavior is positive and strong ($\beta = 0.78$), whereas for lower class brands, the relationship between brand knowledge and customer-oriented behavior is negative and moderate ($\beta = -0.43$).

For an easier representation of these findings, we plotted the simple slopes of the conditional brand knowledge effect for high and low brand classes (Figure 7). For luxury brands, employee knowledge positively affects all three types of brand behaviors, while for lower class brands, the effects are positive for in-role brand behavior and participation in brand development, but not for customer-oriented behavior. Here, the relation is negative. The more employees of lower class brands know about the brand, the less customer oriented they are.

Figure 7. Moderating effects of brand class on the relationships between employee brand knowledge and brand-building behaviors



3.5 Discussion

3.5.1 Theoretical implications

The results of this study contribute to the marketing discipline in the following ways. First, we hypothesized brand-building behaviors as important mediators between employee brand knowledge and sales performance. Our results reveal in-role brand behavior and customer-oriented behavior are significant mediators, while participation in brand development is not. We propose an internal/external focus of different brand behaviors (Löhndorf & Diamantopoulos, 2014) as an explanation for the results. Customer-oriented behaviors and in-role brand behaviors are externally oriented toward customers, while participation in brand development is substantially internally oriented and outside customer interaction. We think that in-role and customer-oriented behaviors work as a “bridge” between internal (brand, job requirements) and external environment (customers), while participation in brand development, which is exceptionally internally oriented, does not. Knowledge about the brand gives employees a clear idea of what the brand is and what it represents (values, mission, distinctive advantages, etc.), which enables them to develop brand-aligned behaviors. Consequently, they know how to behave as brand representatives. Consistent in their brand behaviors, employees are more prone to helping customers and offering more than the expected services. Providing better services for customers significantly influences employee sales performance.

Although the role of internal branding in achieving better performance results has been proposed by several researchers (for example, Burmann & Zeplin, 2005; Hughes & Ahearne, 2010; Xiong et al., 2013), only a few existing studies offered insights about the influence of internal branding on performance variables (for example, Baker et al., 2014; Baumgarth & Schmidt, 2010). In a service context, it is important for organizations to know if and which employee brand-building behaviors drive sales performance. Moreover, organizations want to know if it is worth investing in internal branding (and in which activities) and what the implications of strengthened employee brand behaviors for sales performance are. Our results show that employee brand behaviors importantly contribute to better sales performance of employees. While employee brand knowledge and in-role brand behavior drive employees’ customer-oriented extra-role behaviors, these behaviors consequently enhance sales performance. Employees with high customer-oriented behavior enhance customers’ experience with the brand and help them find an offer that will suit their needs.

Our final contribution rests with the cross-level interaction effect of brand class on the relationship between employee brand knowledge and brand-building behaviors. We found that the moderating effect is different for all three types of behaviors. While moderation is positive and significant for extra-role brand behaviors, it is non-significant for in-role brand behavior. For luxury brands, the influence of brand knowledge on participation in brand development and on customer-oriented extra-role behaviors is positive and strong. The more

employees know about the brand, the more willing they are to participate in brand development and to go the extra mile for the brand's customers. This coincides with the luxury management literature that proposes a strong attachment to the luxury brand. The success of internal branding among luxury brands also lies in highly controlled distribution channels by the manufacturer to ensure consistent brand communication and to protect the brand's identity throughout the channel. Also, more resources are being allocated to showroom design, public relations, and salesman education to support the branding strategy (Parment, 2008). These activities strengthen the brand and enable its strong differentiation from competitors among employees and consumers. In his research, Parment (2008) acknowledges that dealers selling a luxury brand are likely to acquire the benefits that the brand entails.

For lower class brands, the relation between knowledge and participation is also positive but rather weak. The most interesting finding is that for these brands the effect of brand knowledge on customer-oriented behavior is negative and strong. This means that the more employees of low class brands know about the brand, the less inclined they are toward exerting customer extra-role behaviors. A possible explanation could be that with little real knowledge about the brand, employees probably create their own images of the brand that can be superior to the real brand offering and compensate their lack of knowledge by investing more effort in providing good services to customers. Employees may even imitate salespeople's behaviors of higher brand classes. Through the process of internal branding, they gain more knowledge. However, the more knowledgeable they become, the less they identify with the brand, which decreases their motivation for customer-oriented behaviors. More brand knowledge harms employee customer-oriented behavior. A study by Kimpakorn and Tocquer (2010) in the hospitality industry supports our findings to some extent. Their study shows that hotels with high brand equity have significantly higher employee brand commitment than low brand equity hotels, thus strong brands are characterized by a strong employee commitment to support the brand.

Lastly, the moderating effect of brand knowledge and brand class on in-role brand behavior is non-significant, which indicates that the relationship between knowledge and in-role brand behavior does not vary across brand classes. Thus, knowledge drives employee in-role brand behavior regardless of whether people work for luxury, middle or lower middle brands classes. In-role brand behavior is a type of behavior that is required of all employees, because it is part of their job description. The more knowledgeable employees are about the brand, the more in line with the brand they behave.

3.5.2 Managerial implications

Our study offers several significant practical implications on how to better design internal branding practices to grow a workforce of brand ambassadors. We demonstrate that higher class brands are better in building extra-role brand behaviors than lower class brands. Their

internal branding is much more effective in transforming employee brand knowledge into brand-building behaviors. As Keller (2009) noticed, luxury brands can be perceived as the purest examples of branding. We support this claim, as our results show that companies with luxury brands are successful in transforming employee brand knowledge into brand-building behaviors, which consequently leads to higher employee sales performance. Sales jobs are particularly challenging because salespeople must daily deal with unexpected situations and requests from their customers, while still following the brand guidelines. Regardless of brand class, brand knowledge guides employee in-role brand behaviors. However, for developing a brand's extra-role behaviors, additional identity-based motivators are needed, such as an attractive brand personality or unique brand values.

By learning from luxury brands, volume brands should put more focus on brand building, implement more consistent brand communication, and strengthen the brand. Mainstream brands could build their differentiation from competing volume brands by investing more in external and internal branding. Having a strong brand brings great advantages to a company. Research has shown that luxury brands exhibit a stronger competitive positioning than those whose core values are linked more to products and services than to branding (Seo & Buchanan-Oliver, 2015). Moreover, lower class brands should be more careful in implementing internal branding, as our results show that high levels of brand knowledge diminish customer-oriented behaviors.

There is another advantage volume brands can gain by investing in branding that is closely connected to the context of our empirical study: alignment of brand dealers with the branding strategy and support in implementing the branding. A study by Parment (2008) shows that dealers selling luxury brands are positively inclined to invest in brand-specific facilities and systems because they have a high level of confidence in the luxury manufacturer. Their trust is based on their manufacturers' constant and long-term oriented commitment to branding, and on satisfaction with selling a strong brand. Consequently, coordination of the distribution chain is a lot easier with strong luxury brands, which entail a higher satisfaction across channel members. The same advantages could be gained by manufacturers and their dealers that sell strong volume brands.

3.5.3 Strengths, limitations, and future research directions

One of the strengths of this paper is that data were collected from three different sources (sales personnel, their supervisors, and external sources). Multi-sourcing enabled us to eliminate the potential for common method bias. We took into account the multilevel structure of our data and measured relations at the individual level with consideration that employees are not independent observations, but rather are nested within car dealers. As a future research direction, we propose to collect a larger sample at Level 1, which would probably lead to even stronger relationships between constructs. Moreover, sales people

could be nested within brands, which would enable researchers to compare internal branding practices between brands.

Investigating the impact of employee brand knowledge on brand-related behaviors is an important first step toward understanding the role of cognitive processes in internal branding, but further exploration of the relationships is needed to establish the generalizability of our results. Although our study was conducted in the automotive industry, which is among the leading industries in branding, and the sample included diverse brands and numerous dealers, it is set within the context of a single country and a single industry. Thus, there is a need for further investigation in other countries, companies, and industries to provide more support for our findings.

While we compared internal branding processes at the employee level between different brand classes, brand value could also serve as a significant moderator in internal branding. We predict that there may be a difference between brands with very high brand value, moderate brand value, and brands with low brand value in how they implement internal branding and how the process affects employees in their relations to customers. Established brand rankings could be used to assess brand values.

4 EMPLOYEE BRAND KNOWLEDGE: CONCEPTUAL AND MEASUREMENT REFINEMENTS

Abstract

Employees' knowledge about a brand has gained increased attention in the research on internal branding, which is well evident in the number of studies that include it. Although consumer research acknowledges that there are distinct dimensions and types of knowledge with differential effects on behaviors, only a handful of studies in internal branding have investigated these directions. Therefore, supplementary research regarding conceptualization and measurement of employee brand knowledge is needed. In this study, we conceptualize three components of employee brand knowledge – employee brand awareness (objective and subjective), employee brand image (subjective), and role clarity or knowledge about desired brand behaviors (subjective) – and examine their impact on different employee brand-related outcomes. Research is conducted within the context of automotive dealerships. Salespeople of new cars provided information on brand knowledge, brand behaviors, and brand identification, while their supervisors reported employee customer-oriented extra-role behavior and employees' sales performance. Results indicate that different components and types of employee brand knowledge exist, and they are correlated with each other. However, their effects on brand behaviors, brand identification, and sales performance vary.

Keywords: employee brand knowledge, brand awareness, brand image, role clarity, brand identity.

4.1 Introduction

To be successful in transforming employees into brand advocates, employees must have the knowledge of brand identity and the desired brand image to project the brand to customers (Miles & Mangold, 2005). Employees also need the knowledge of desired brand behaviors because these behaviors enable employees to deliver the brand promise (Piehler et al., 2016; Xiong et al., 2013). Miles and Mangold (2005) are among the first authors to establish the importance of employee brand knowledge in the internal branding process. However, they do not offer construct's definition or a detailed conceptualization and empirical evidence. While studies on consumer's knowledge have a long history, and the construct is well established in consumer research (Carlson, Vincent, Hardesty, & Bearden, 2009; Flynn & Goldsmith, 1999), insufficient attention has been given to employee brand knowledge, its nature, content, and measurement. Only a handful of studies over the past years examined employee brand knowledge in relation to employee brand-related outcomes and provided important contributions (Baumgarth & Schmidt, 2010; Löhndorf & Diamantopoulos, 2014; Piehler et al., 2016; Xiong et al., 2013). However, further conceptual and measurement advances are needed; thus, we undertake a detailed investigation of the concept.

Despite the recognition that employee brand knowledge has a significant influence on employee brand behaviors and brand attitudes, limited attention was given to the construct as a complex entity. Existing studies examined employee brand knowledge only as a part of larger internal branding models. Moreover, the literature on internal branding offers different definitions; different measures are used as well. In our study, we propose a general definition of employee brand knowledge. Also, we define and discuss the components that constitute employee brand knowledge. We base our conceptualization on Keller's (1993) customer brand knowledge theory and knowledge theory from consumer research (Carlson et al., 2009; Flynn & Goldsmith, 1999). In addition, we investigate the differential effects of the knowledge components on brand-related outcomes, which have not been examined by existing studies. New findings could provide managers with directions on which components of brand knowledge to focus in order to enhance desired brand behaviors and sales performance. For example, internal branding managers can improve employees' ability to recall the brand identity or create/maintain employees' positive perceptions about the brand. In other words, by influencing employee brand knowledge in one or more of these different ways, internal branding activities can potentially affect consumer brand perceptions and sales.

In regard to measurement advancements, we provide measures for each of the components, explore their relationships, and empirically assess their differential effects on employee brand behaviors, brand identification, and sales performance. Existing studies in internal branding measured employee brand knowledge as employee perceptions of their brand knowledge (subjective brand knowledge). Literature in consumer behavior research differentiates between objective and subjective types of knowledge. The first type is an individual's perception of how much he or she knows and is a combination of knowledge and self-confidence, while the second type represents the accurate stored information in an individual's memory. Assessing only subjective employee brand knowledge may not necessarily provide a complete picture of employee's knowledge. Based on their distinct nature, the two types may have somewhat different effects on employee brand behaviors, and they ought to be measured differently. Subjective knowledge is typically measured by respondents' self-evaluations of their knowledge of a domain or a brand (Carlson et al., 2009; Raju, Lional, & Mangold, 1995), while objective knowledge is assessed by objective tests that capture individual's knowledge about a studied domain. In our study, we objectively assess employees' knowledge about the brand identity in the form of a performance test and compare it with subjective knowledge. We also explore which types of behaviors are better predicted by objective and subjective brand knowledge.

The paper is structured in the following manner. First, we present a literature review of past research on employee brand knowledge. Second, we conceptualize employee brand knowledge, theoretically define its components, and establish a distinction between objective and subjective types of employee brand knowledge. Then, we explore relationships between

components of employee brand knowledge and examine its consequences. A methodological section is followed by data analysis and discussion of the results.

4.2 Literature review of past research on employee brand knowledge

Past studies offer several definitions of employee brand knowledge and the accompanying measurement scales to assess the level of employees' knowledge. An overview of the studies, which include employee brand knowledge and how our study adds to the existing literature, is presented in Table 14. First, we find that many studies lack a formal definition of employee brand knowledge (Baumgarth & Schmidt, 2010; King & Grace, 2010; King & So, 2015; Thomson, de Chernatony, Arganbright, & Khan, 1999) and that conceptualizations of brand knowledge do not align with the type of knowledge that is being measured (objective/subjective) (King & So, 2015; Löhndorf & Diamantopoulos, 2014). If subjective brand knowledge is measured, its definition should include employees' perceptions or self-evaluations of knowledge. We advance the existing research by defining employee brand knowledge and extensively discussing the components that constitute brand knowledge. Our conceptualization follows Keller's (1993) model of brand knowledge. Moreover, we align definitions of knowledge components with the type of knowledge being measured.

Second, existing definitions of employee brand knowledge include either employee knowledge about the brand identity or identity elements (values, promises) (Löhndorf & Diamantopoulos, 2014), employee knowledge of specific behaviors that reflect the brand (brand' role clarity) (Baumgarth & Schmidt, 2010; King & Grace, 2010) or both aspects (King & So, 2015; Piehler et al., 2016; Thomson et al., 1999; Xiong et al., 2013). In our study, we include three components that constitute employee brand knowledge: employee knowledge about the brand identity, employee's cognitive evaluation of the brand (brand image), and knowledge about brand's role clarity. We argue that, for employees to internalize the brand and display brand-building behaviors, it is not only important that they know how the brand is different from competitors, but also that they perceive the brand is different and unique. In this regard, we explore the influence of knowledge components on brand behaviors.

Third, upon analyzing the compliance between knowledge definitions and measurement scales, we found several inconsistencies. Baumgarth and Schmidt (2010) define knowledge as an ability to behave in the way the brand identity requires. However, their scale not only measures employee brand's role clarity but also employee knowledge about the brand identity (which is not captured in the definition). Xiong et al. (2013) define brand knowledge in terms of both aspects (knowledge about the brand identity and knowledge about role clarity), but they only measure employees' knowledge about delivering the brand promise (role clarity). In our study, we align measurement scales with the definition of employee brand knowledge.

Table 14. Summary of key studies that measure employee brand knowledge

Study	Definition of employee brand knowledge	Measuring employee knowledge about brand identity (awareness)	Measuring employee perceptions about the brand (image)	Measuring employee knowledge about desired brand behaviors (role clarity)	Subjective or objective brand knowledge measured	Alignment between the definition and the measures	Number of scales used for knowledge	Major findings
Baumgarth and Schmidt (2010)	Definition was not given. Justification of brand knowledge: Brand knowledge provides employees with the wherewithal to behave in the way their company's brand identity requires. The cognitive representation of the brand within an employees' mind, which can be interpreted as "schemata".*	Yes.	No.	Yes.	Subjective.	No.	1	Brand orientation and brand involvement have direct effects on brand knowledge, while knowledge has no direct effect on internal brand equity (which constitutes of intra-role and extra-role brand behavior and brand loyalty).
King and Grace (2010)	Definition was not given. Justification of brand knowledge: Consisting 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 his or her role as a result of having brand knowledge.*	No.	No.	Yes.	Subjective.	/ (definition of knowledge not given)	1	Knowledge dissemination is positively related to role clarity. Role clarity has a positive effect on employee-based brand equity (which constitutes of brand citizenship behavior, employee satisfaction, intention to stay, and positive WOM).
King and So (2015)	Definition was not given. Justification of brand knowledge: Employees are aware of the brand promise/values and they know the brand's implications for their role in delivering the promise.*	Yes.	No.	Yes.	Subjective.	No.	1	Brand-oriented support, training and recruitment influence employee brand knowledge, while knowledge influences brand-building behavior (brand-consistent behavior, allegiance, and endorsement)

(table continues)

(continued)

Study	Definition of employee brand knowledge	Measuring awareness	Measuring image	Measuring role clarity	Subjective/objective	Alignment	Number of scales	Major findings
Löhndorf and Diamantopoulos (2014)	The degree to which the employee has a good understanding of the distinct brand identity and knows what the brand promises to its customers.	Yes.	No.	No.	Subjective.	No.	1	Organizational identification positively mediates the relation between employee brand knowledge and brand-building behaviors.
Piehler et al. (2016)	The employees' perception of what the brand represents. In addition, brand confidence is employees' knowledge of specific brand-strengthening behaviors that they must perform in their daily work.	Yes.	No.	Yes. (They define it as brand confidence.)	Subjective.	Yes.	2	Brand understanding affects brand identification and brand citizenship behavior, but not brand commitment.
Thomson et al. (1999)	Definition was not given. Justification of brand knowledge: Employees are aware and aligned with the brand and the business goals and strategies and understand how they can positively affect them.*	Yes.	No.	Yes.	Subjective.	No.	1	Low levels of intellectual buy-in among employees. Employee understanding and commitment lead to greater advocacy.
Xiong et al. (2013)	The extent to which employees perceive that they know what the brand represents and are capable of delivering the brand promise. BK involves both the understanding of what the brand stands for as well as how to deliver the brand promise.	No.	No.	Yes.	Subjective.	No.	1	Brand knowledge positively related to employee brand equity (brand behaviors: endorsement, allegiance, consistent behavior) but not significantly associated with brand commitment.
Our study	A cognitive representation of the brand in employees' minds. It includes brand awareness (knowledge of what the brand stands for), brand image (perceptions of the brand), and role clarity (knowledge of how to deliver the brand promise).	Yes.	Yes.	Yes.	Subjective and objective.	Yes.	4	Subjective awareness and image are not distinct constructs. Objective awareness has an impact on image, while image has an impact on role clarity. Components have differential effects on brand behaviors, brand identification, and sales performance.

* Concept was not explicitly defined.

Fourth, past studies only measured brand knowledge as employees' evaluations of their own knowledge (subjective knowledge). As this may offer only limited understanding of employee brand knowledge and its role in internal branding, we also measure brand knowledge objectively and compare it with subjective knowledge. Moreover, we analyze if different brand behaviors are better predicted by objective or subjective brand knowledge.

4.3 Conceptualization of employee brand knowledge

While substantial research has been done on consumer knowledge (Alba & Hutchinson, 1987; Carlson et al., 2009; Keller, 1993), marketing literature lacks the additional insights about employee brand knowledge. Sufficient employee knowledge about the brand is a prerequisite for employees to be able to translate the brand promise into brand reality (King & Grace, 2009). Mangold and Miles (2007) highlight that employees should know the brand's identity in order to deliver proper service that is brand aligned and to make better brand-related decisions when dealing with customers. In high-knowledge organizations, employees develop an awareness of what the organization deems important and what customers expect. Employees also understand the behaviors that are needed to deliver the desired brand image to organizational constituents.

We derive our conceptualization of employee brand knowledge from Keller's (1993) work and base it on associative model. An associative network memory model defines knowledge as a network of nodes and connecting links. Nodes represent stored information, while links represent connections (or strength of association) between that information. Retrieval in memory happens, when the information contained in a specific node is recalled and the activation of the node spreads to other linked nodes in memory. The strength of association between the activated node and linked nodes determines the extent of retrieval in memory. Different types of information can be stored in the memory network, for example verbal, visual, abstract or contextual (Keller, 1993; Keller, Apéria, & Georgson, 2008).

Consistent with an associative network memory model is the definition of brand knowledge that is conceptualized as "a brand node in memory to which a variety of associations are linked" (Keller, 1993). While Keller (1993) defines consumer brand knowledge as consisting of two components that affect consumer behaviors: the awareness of the brand (including brand recall and recognition) and the brand image (favorability, strength, and uniqueness of the brand associations in consumer memory), we add the third component (role clarity) and adapt all three components of brand knowledge as we apply it to employees.

We define employee brand knowledge as a cognitive representation of the brand in employees' minds. It consists of three components: *employee brand awareness*, *employee brand image*, and *brand's role clarity*. We define *employee brand awareness* as employee awareness of the brand identity. In a consumer context, awareness is consumer's ability to identify the brand (Keller, 1993). In an employee context, where employees are brand

representatives, higher levels of brand awareness are required. Thus, employees should have knowledge of brand identity. *Employee brand image* is defined as employee perceptions about a brand. We include this component as part of employee brand knowledge because what employees know about the brand (brand awareness) and what they think of the brand (brand image) are two different things. For employees, as brand representatives, it is important to have a positive image about the brand. The third component we add to the employee brand knowledge conceptualization is *brand's role clarity*, which is defined as employee knowledge about the desired behaviors that enable one to deliver the brand. Jointly, these three components inform an employee's brand knowledge.

We identify a brand identity as an important building block of employee brand knowledge. Brand identity is an internal, firm-centered view on the brand and defines the core of the brand. Identity is driven by aims and values that present a sense of individuality and differentiate the brand from others (de Chernatony, 1999). We follow de Chernatony's (2010) conceptualization that describes brand identity in terms of brand vision, values, personality, and distinguishing preferences. Brand identity has two distinct parts. The visual part of the identity is usually well-known and easier to memorize. It includes visual elements, such as brand name, colors, brand symbols, logo, and brand slogan. The nonvisual part of the identity is more abstract and difficult to interpret. It includes brand values, vision, personality, brand promises, and distinct advantages. Although the nonvisual part of the identity usually receives less attention, it represents the essence and core of the brand; thus, it is equally important or even more important in successful internal brand building than the visual identity.

4.3.1 Employee brand awareness

Keller (1993) and Keller et al. (2008) relate brand awareness to the strength of the brand node in memory. Brand awareness is defined as consumers' ability to identify the brand; it includes the likelihood that a brand will come to mind and the ease with which it does so. Brand awareness represents the accessibility of the brand in consumer's memory. It can be measured through brand recognition or brand recall. If a consumer is able to recognize prior exposure to the brand, when given the brand as a cue, we talk about brand recognition. In other words, brand recognition is about recognizing the brand among given possibilities or correctly discriminating the brand as a result of previous exposure. Brand recall reflects the ability of consumers to retrieve the brand from memory when given a cue. A cue can be the product category, the fulfilled needs by the brand, or some other type of probe.

Deriving from Keller's (1993) definition on consumer brand awareness, we apply the concept to internal branding. We define employee brand awareness as accessibility of the brand identity in employees' memory. The concept represents employee knowledge about the brand identity or what the brand represents. Employees with high brand awareness have a substantial amount of knowledge about the brand's identity (i.e., knowing the brand's visual

and nonvisual identity elements). The main reason to differentiate between employees and consumers, and therefore applying the consumer concept internally, is that employees already have high brand awareness (i.e., when we have in mind Keller's classical definition of brand awareness) because they work for the organization's brand. However, to be true brand representatives, they need to know the brand's identity.

While consumer brand awareness has an impact on consumer decision-making, employee awareness of brand identity plays an important role in shaping employees' attitudes toward the brand, brand behaviors toward customers, and consequently brand awareness and behaviors of customers. Raising awareness about brand identity increases the likelihood that employees will consider brand's values, standards, and promises when serving customers. Moreover, employee awareness of brand identity affects their behaviors by influencing the formation and strength of brand associations in the brand image. In conclusion, employees should learn about the brand identity and consequently transform such brand knowledge into meaningful service encounters with customers (Chang et al., 2012; Vallaster & de Chernatony, 2006; Xiong et al., 2013).

4.3.2 Employee brand image

Employee brand image has not been investigated within marketing literature, and its role in internal branding process is left unexplained. Again, we will develop our conceptualization of employee brand image by analogy from consumer research field because consumer brand image is a well-established and an important concept in marketing literature. Keller (1993) defines it as consumer perceptions about a brand that are formed from brand associations held in one's memory. Brand associations are the other informational nodes linked to the brand node in memory and contain the brand meaning (Keller et al., 2008). Brand image is determined by the favorability, strength, and uniqueness of brand associations. A positive brand image is created when strong, favorable, and unique associations are related to the brand in memory (Keller, 1993). Different types of brand associations exist: attributes, benefits, beliefs, and thoughts. Attributes are descriptive features that are related to product performance and to brand personality. Benefits represent the meaning a person attaches to the brand's attributes. Thoughts are personal cognitive responses to any brand-related information (Keller, 2003).

We define employee brand image as perceptions employees have about the brand they work for. It comprises employee evaluations of a brand's identity, attributes, and benefits. Brand image is formed by the associations employees have about the brand. In order for employees to develop positive brand associations, these associations have to be favorable, strong, and unique. The extent to which employees perceive that the brand has certain identity, attributes, and benefits is called the belief an employee has about the brand. In consumer research, people form a belief about different brand attributes and benefits. Furthermore, we add to brand image the employee belief about brand identity as a very relevant aspect for internal

brand management. According to Aaker (1996), brand associations are related to brand value (perceptions of the brand as a product), brand personality (perceptions of the brand as a person), and brand differentiation (perceptions of the brand as being different). Aaker (1996) also includes organizational associations (brand as an organization), which are relevant for the internal perspective on the brand. We define this dimension of employee brand image as employee perceptions of the brand's identity.

The process of how can employees assimilate the brand starts with the development of employee brand knowledge and employee belief in the brand (Keller et al., 2008). As a consequence of brand beliefs, employees develop an emotional connection with the brand and align their behaviors accordingly. In the final stage, employees embody the brand and truly live it. When employees' beliefs about the brand are aligned with a brand's identity and promises, employees can authentically represent the brand they believe in.

4.3.3 Brand's role clarity (knowledge about desired brand behaviors)

In general, role clarity refers to the degree to which the employee is certain about how he or she is expected to perform the job (Teas, Wacker, & Hughes, 1979). Especially customer-contact employees have a strong need for clarity and adequate information on how to effectively do their jobs (Donnelly & Ivancevich, 1975; Mukherjee & Malhotra, 2006; Whitaker, Dahling, & Levy, 2007). Role clarity is important because of its strong relationship with performance (Kohli, 1989). Past research has revealed that greater role clarity leads to better job performance and desired on-the-job behaviors (for example, organizational citizenship behavior) (Whitaker et al., 2007). Moreover, role clarity perceived by the frontline employees is also linked with customer satisfaction, employee's job satisfaction, and organizational commitment (Mukherjee & Malhotra, 2006).

Applying the concept of role clarity to internal branding, we define employee brand role clarity as the extent to which employees perceive they know how to deliver the brand promise to customers (Xiong et al., 2013). As Piehler et al. (2016) define it, a brand's role clarity is employees' knowledge of specific brand-strengthening behaviors that are required in employees' daily work. Although they use a different name, i.e., brand confidence, they talk about the same concept. Employees with high role clarity have clear knowledge of their job requirements and how they are expected to do their jobs (Kohli & Jaworski, 1994; Whitaker et al., 2007). This knowledge helps them to make decisions on how they should perform and behave in line with the brand – especially in uncertain work environments like service encounters. As a result of role clarity, employees have a clear guidance on how they are expected to behave in line with the brand. When employees know their role with respect to providing a brand-aligned experience, they tend to be less confused and are more confident in their actions. Role clarity involves employee comprehension with respect to his or her role in delivering the brand promise (King & Grace, 2009, 2010; Xiong et al., 2013).

King and Grace (2010) propose that brand's role clarity is a result of having brand knowledge. Brand-related information helps employees understand their role in delivering the brand (Xiong et al., 2013). When employees start to understand the brand strategy, they reduce their role ambiguity (King & Grace, 2010). In turn, perceived role clarity influences employee performance and behavior (Donnelly & Ivancevich, 1975; Xiong et al., 2013). It is also related to satisfaction and commitment (Jones, Busch, & Dacin, 2003; Piehler et al., 2016).

4.3.4 Distinguishing between objective and subjective brand knowledge

In consumer research, two distinct types of people's knowledge are established: subjective and objective. Following the definition by Brucks (1985) we differentiate between subjective knowledge – what person thinks he or she knows (self-assessment of the knowledge) – and objective knowledge – an actual knowledge or accurately stored information measured by some sort of a test (Carlson et al., 2009; Flynn & Goldsmith, 1999). Subjective knowledge is based on an individual's interpretation of what he or she knows and, thus, is his or her perception of the level of knowledge. Objective knowledge is dependent on ability or expertise and is based on another person's evaluation of the actual knowledge, for example in a form of a performance test (Selnes & Gronhaug, 1986). Comparison of subjective and objective knowledge has showed substantial variations in their relationship. Some researchers found weak correlation, while others found moderate to strong correlations (Carlson et al., 2009). Although it depends on the strength of their relationship, objective and subjective knowledge can have different roles in developing people's behaviors. Past studies in consumer research even provide strong arguments that they must both be measured to gain a complete understanding of the role knowledge plays in people's behavior (Carlson et al., 2009; Flynn & Goldsmith, 1999).

By applying the theory from consumer research to internal branding, we define subjective employee brand knowledge as employee's evaluation of his or her knowledge, i.e., how much an employee thinks he or she knows about the brand. Objective employee brand knowledge is defined as the actual knowledge employee has of the brand. It captures the organization of the individual knowledge structure (Selnes & Gronhaug, 1986). Organization of information and knowledge structures is closely connected to the ability to retrieve relevant information from memory (Sterthal & Craig, 1982) and to rehearse or encode new information (Fiske, Kinder, & Larter, 1980). Knowledgeable employees should therefore be superior to less knowledgeable employees in encoding brand-related information and be better able to make the right brand-consistent decisions. However, in consumer research, subjective knowledge has been shown to have a stronger impact upon the motivation to exhibit various behaviors (Flynn & Goldsmith, 1999). An employee that perceives him or herself as very knowledgeable about the brand may feel more confident representing or selling the brand (Selnes & Gronhaug, 1986). This is due to subjective knowledge being closely related to self-efficacy. Self-efficacy is the belief in one's ability to successfully perform a certain task

(Bandura, 1977). Employees who perceive higher self-efficacy are usually more confident and consequently perceive themselves as being more knowledgeable. They are also more confident in performing the job role (Stajkovic & Luthans, 1998; Xiong et al., 2013).

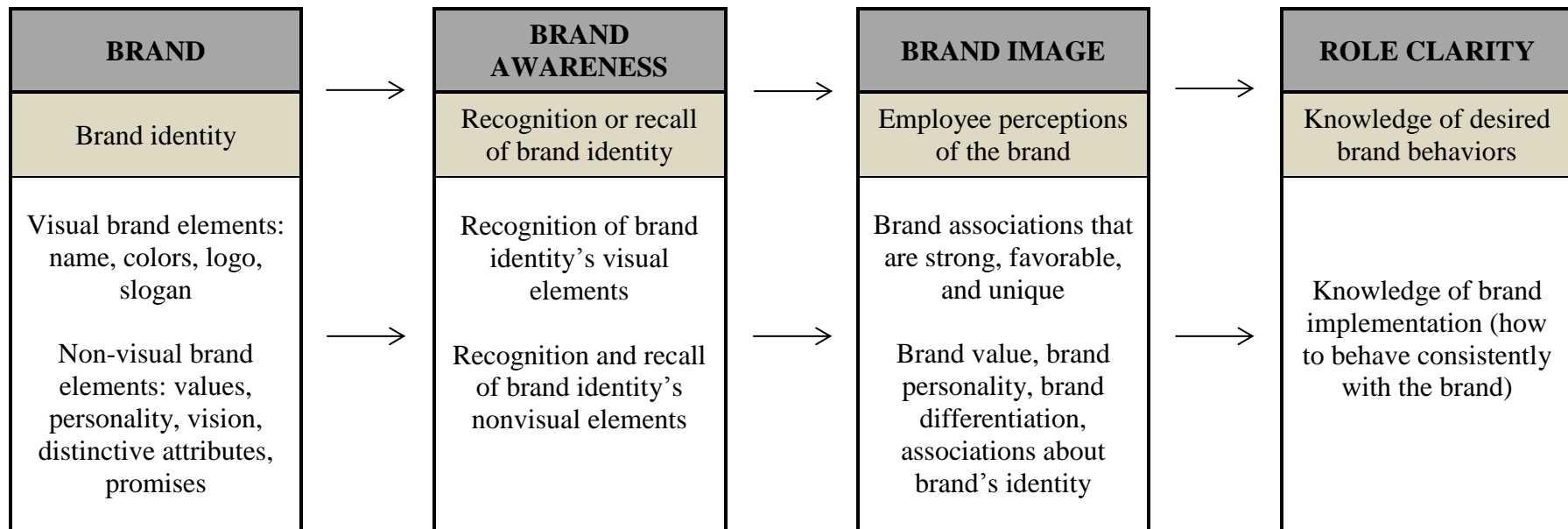
While consumer research extensively investigated both types of knowledge, employee brand knowledge has been investigated only in terms of subjective knowledge and has gained little attention in this regard. Subjective knowledge is easier to measure than objective knowledge (Brucks, 1985), and standardized scales can be used, which are possible reasons for concentrating only on subjective brand knowledge. Usually, objective tests of a person's knowledge must be developed individually for each product investigated. In our study, we propose a general measure for assessing employees' objective knowledge about brand identity that is suitable for a variety of different brands. We also measure employees' subjective knowledge of brand identity to explore the relationship between both types of knowledge. If subjective and objective knowledge are highly correlated, the choice of brand knowledge does not have a significant role. In such situation, the employee interprets what he or she knows from information stored in memory. If the two types of knowledge are modestly or weakly correlated, researchers should be careful in selecting the measure and type of knowledge (Selnes & Gronhaug, 1986).

One important aspect regarding subjective employee knowledge in internal brand management should not be overlooked, i.e., whether employee subjective knowledge about the brand coincides with the true brand identity. Although employees may evaluate themselves as being knowledgeable, it may not mean that they really know the brand or that they have "the right" brand knowledge. Often, people overestimate their knowledge and perceive that they know more than they actually do (Alba & Hutchinson, 1987). Problems of knowledge overestimations are even more relevant in internal brand management than in consumer research. Employees as brand representatives and influencers of consumer brand knowledge should have the right knowledge about the brand identity. Therefore, subjectively assessed employee brand knowledge should be supplemented with a performance test to assess employees' objective brand knowledge and to examine whether employee perceived brand knowledge coincides with the brand identity.

4.3.5 Hypotheses

Based on our conceptualization in previous sections and deriving from Keller's (1993) model, we define three distinct components that inform an employee's brand knowledge: employee brand awareness (knowledge of brand's identity), employee brand image (perceptions about the brand), and employee brand's role clarity (knowledge of desired brand behaviors). Our conceptualization of employee brand knowledge is depicted in Figure 8.

Figure 8. Conceptualization of employee brand knowledge



We propose the following hypothesis:

H1a: Employee brand knowledge is a three-dimensional construct, with brand awareness, brand image, and brand's role clarity as its constituting components.

Objective and subjective types of knowledge are generally considered distinct, although they are often positively correlated with each other (Raju et al., 1995). We propose to differentiate between objective and subjective employee brand knowledge as we predict that they are distinct constructs. In internal branding research, we should take into consideration that employees may overestimate their brand knowledge and perceive that they know more than they actually do. Comparing the actual brand knowledge with their perceptions is an important aspect in successful brand building. In our study, we assess objective and subjective employee brand awareness and compare both constructs. Thus, the following hypothesis is offered:

H1b: Objective brand awareness and subjective brand awareness are distinct constructs.

4.4 Relationship between components of employee brand knowledge: From explicit to tacit knowledge

Keller (2003) proposes that different components of brand knowledge are likely to interact with each other, although they are distinct constructs. For example, strong brand awareness and familiarity may be a prerequisite for certain types of thoughts and beliefs to occur; therefore, brand awareness may be a predictor of brand image. This remains an unexplored area in internal branding research. How do the different components of brand knowledge function as antecedents to or consequences with respect to other components? We explain their relationships with the process of transforming explicit brand knowledge into tacit (de Chernatony & Cottam, 2006). Xiong et al. (2013) and King and Grace (2009) consider employee brand knowledge to be more tacit in nature because it requires extra effort from employees to comprehend the brand. They describe employee perceived brand knowledge as based on “employee’s own accumulated experience, intuition, and judgment with respect to the brand, as well as the organizationally provided brand information” (Xiong et al., 2013). We agree with their conceptualization that employee brand knowledge is tacit, but we also propose that employee brand knowledge can be viewed as explicit knowledge that gradually transforms into tacit one.

Explicit knowledge is tangible, can be easily communicated and shared, and is usually documented (Richards, Foster, & Morgan, 1998). From the perspective of internal brand management, we consider as explicit employee brand knowledge all organizationally provided brand information that employees hold in their memory and the knowledge

employees have about the formal brand identity, i.e., formal brand values, brand vision, brand logo, brand slogan, brand promises communicated to customers, etc. These elements of brand identity are usually formally defined, documented, and publicly known information that is written in brand books, strategic documents, and on official brand websites. It especially applies to strong, well-known brands.

Another aspect of brand knowledge is tacit knowledge. Tacit knowledge is much more difficult to formalize, communicate, and share and cannot be found in a documented form (Richards et al., 1998). Tacit knowledge is highly personal, usually informal, and subjective (Smith, 2001). While explicit knowledge remains largely consistent in the communication process, tacit knowledge is made up of skills, experience, and mental models (King & Grace, 2009; Smith, 2001). From the perspective of internal brand management, tacit employee brand knowledge is built on employee experiences, beliefs, perceptions, insights, and judgment with respect to the brand and represents employee interpretation of the brand. Examples of tacit employee brand knowledge are employee's interpretation of the brand values, employee's knowledge of his or her role in brand's success, perceiving the brand different and unique, and holding a positive brand image.

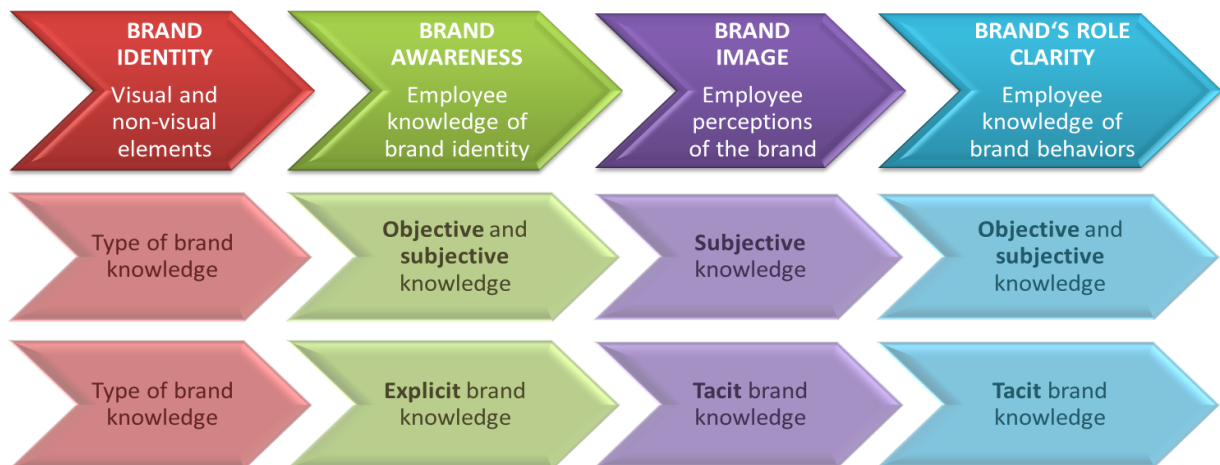
The model by de Chernatony and Cottam (2006) shows how employee brand knowledge transforms from explicit to tacit knowledge. First, the brand and its identity are explicitly codified and mainly driven by management control. Employees possess explicit knowledge about the elements of brand identity (brand awareness). They understand a brand's codification to a greater or lesser extent. At this stage, the brand is either a "codified brand" or a "comprehended brand," depending on the level of employee brand understanding. From this stage to the next, explicit knowledge starts to transform into tacit knowledge. Employees begin to form their own perceptions and beliefs about the brand (brand image). Brand becomes driven more by employees' interpretation of it and less by management control, which defines the brand as "interpreted brand." Employees start to interpret the brand in terms of their job roles (role clarity). Based on this process, we postulate that employee brand awareness is a prerequisite for employee brand image, and employee brand image is an antecedent of employee brand's role clarity. Relations between components and types of employee brand knowledge are depicted in Figure 9.

We also find support for the proposed order of components in consumer research. Brand awareness is a necessary condition for the formation of a brand image. When a brand and its identity have a well-established position in a person's memory, it is easier to attach associations to the brand and establish them firmly in person's mind. Thus, brand awareness influences the formation and the strength of brand associations that form brand image (Buil, de Chernatony, & Martínez, 2013; Esch, Langner, Schmitt, & Geus, 2006; Keller, 1993). By developing positive perceptions of a brand, a strong basis for brand behaviors forms. Brand-related associations help employees understand their role in delivering the brand (Buil et al., 2013; Xiong et al., 2013). Through understanding the brand strategy, employees form brand

beliefs that help them reduce their role ambiguity (King & Grace, 2010). In conclusion, we hypothesize that employee knowledge of brand identity (brand awareness) is a necessary prerequisite for employee brand image, while brand image drives employee brand's role clarity.

H2: (a) Employee brand awareness has a positive impact on employee brand image, and (b) brand image has a positive impact on employee brand's role clarity.

Figure 9. Components and types of employee brand knowledge



4.5 Consequences of employee brand knowledge: brand behaviors, brand identification, and sales performance

Employees, especially frontline employees, should learn about and understand the brand, as this contributes to their role as brand representatives (King & Grace, 2010). Keller's (1993) brand equity model casts brand knowledge in a decisively value generating role. Employees' skills and knowledge can contribute to the competitive advantage of organizations in several ways. For example, they can have an impact on employee brand behaviors, brand identification, and even their performance (Löhndorf & Diamantopoulos, 2014).

4.5.1 Differential effects of brand knowledge components on brand behaviors

There is an inherent power in having an informed workforce that is able to deliver the brand promise (Aurand et al., 2005). Without brand knowledge, employees are unable to transform the brand vision into the brand reality (King & Grace, 2009). Adequate brand knowledge provides them with guidance to behave in the way their company's brand identity requires (Baumgarth & Schmidt, 2010). Structures of organized prior knowledge, which evolve by the abstraction of experiences, exert a strong behavioral influence (Marcus & Zajonc, 1985). Employees need to know about the identity and values expressed by the brand in order to behave in a brand consistent manner (Piehler et al., 2016). While internal brand management

lacks the insight about the role of brand knowledge on employee behaviors, consumer studies have well established a relationship between (brand) knowledge and many consumer behaviors (Flynn & Goldsmith, 1999).

Consumers use their brand knowledge to make purchase decisions (Keller, 1993). Similarly, employees use their brand knowledge as an effective cue to make decisions on how they are supposed to behave, especially when dealing with unexpected situations in service encounters. For example, in the automotive industry, frontline employees in car stores tend to deal with unexpected situations during employee-customer interactions. Brand knowledge serves employees to enact a brand performance as expected by the organization and customers. Therefore, employees who are void of brand knowledge are unlikely to exhibit brand-aligned behaviors in a consistent manner (Xiong et al., 2013). The knowledge of what the brand is and how to deliver it are necessary and essential drivers of employee brand behaviors.

In our study, we include employee in-role brand behavior, participation in brand development, employee word-of-mouth (WOM), and customer-oriented extra-role behavior as employee brand behaviors. In-role brand behavior is defined as employee's behavior in a customer contact that is in line with the brand identity. Participation in brand development represents employee's proactive and voluntary cooperation in advancing the brand. Employee's positive WOM captures the personal advocacy of the brand. Employee customer-oriented behavior is a discretionary extra-role behavior of a frontline employee that enhances customers' service experience [more on conceptualization of brand behaviors can be found in Löhndorf and Diamantopoulos (2014) and Morhart et al. (2009)].

Task-related knowledge and skills are expected to determine an employee's in-role behavior. Based on past research, we propose that antecedents to in-role behavior are distinctly cognition-oriented, while employee extra-role behavior is determined by role perceptions, attitudes, and affects (Podsakoff, MacKenzie, Paine, & Bachrach, 2000; Organ & Ryan, 1995). Therefore, we hypothesize that brand awareness and brand's role clarity (as task and cognition-oriented) influence in-role brand behavior, while brand image and brand's role clarity (as role perceptions and attitudes) influence extra-role brand behaviors.

As results of knowing the brand and having brand's role clarity, employees perceive clear guidance and direction on how they are expected to perform their jobs and represent the brand to customers. Thus, in-role brand behavior is enhanced. Also, brand's role clarity should increase the frequency of extra-role behaviors. We expect that enhanced role clarity provides employees with the knowledge about the standards that they are expected to meet. This helps them decide when and how to perform extra-role behaviors that are in line with the brand and contribute to brand's performance (Whitaker et al., 2007). A positive relationship between role clarity and extra-role behaviors also is supported by past meta-analyses (Podsakoff et al., 2000). High role clarity supports employee behavior by clarifying which

extra-role behaviors are valued by the brand and when these extra-role behaviors are desired to be performed (Whitaker et al., 2007).

Employees also may have an altruistic or other-serving motive, in which extra-role behavior occurs due to a genuine desire to improve the success of the brand. The motive behind this behavior may be that the employee has feelings of attachment (for example, attractiveness and/or similarity) for the brand (Bove, Pervan, Beatty, & Shiu, 2009). Positive perceptions of the brand can lead to such extra-role behaviors as making constructive suggestions, endorsing the brand to external audience, and delivering above the required customer service. However, for employee's positive WOM (as a type of extra-role behavior), we predict only brand image as a relevant driver. Positive image perceptions (for example, the brand is interesting) encourage people to talk and share their views about the brand (Berger & Schwartz, 2011). Studies show that positive perceptions built up over a period of time represent a strong basis for people to act as advocates for an organization (Mazzarol, Sweeney, & Soutar, 2007).

H3: (a) Employee brand awareness and (b) brand's role clarity have positive effects on in-role brand behavior.

H4: (a) Employee brand image and (b) brand's role clarity have positive effects on participation in brand development.

H5: Employee brand image has a positive effect on employee's positive WOM.

H6: (a) Employee brand image and (b) brand's role clarity have positive effects on customer-oriented extra-role behavior.

4.5.2 Employee brand image and brand identification

Bergami and Bagozzi (2000) define employee brand identification as the perceived overlap between one's own self-concept and the brand identity. Employee brand identification is driven by beliefs employees hold about the brand. For example, employees more easily identify with the brand, if they perceive that it is different from other brands, is unique, and has a distinct, attractive personality (Stokburger-Sauer, Ratneshwar, & Sankar Sen, 2012). Dutton, Dukerich, and Harquail (1994) notice that employees who believe their organization has a distinctive culture, strategy, or some other distinctive characteristics are likely to experience strong levels of organizational identification. The perception employee holds about the brand facilitates his/her identification with a brand (Scott & Lane, 2000). The greater the attractiveness of the brand in an employee's mind, the stronger is his/her identification with it (Dutton et al., 1994). Thus, we hypothesize that employee brand image enhances employee's brand identification.

H7: Employee brand image has a positive effect on employee brand identification.

4.5.3 Brand's role clarity and sales performance

According to the existing literature, perceived role clarity influences employee performance and behavior (Donnelly & Ivancevich, 1975; Xiong et al., 2013). Employees who have clear knowledge about their roles and what is expected of them are more likely to achieve better sales performance than those who do not perceive role clarity (Mukherjee & Malhotra, 2006). If an employee experiences excessive uncertainty about how he or she is expected to perform the job, lower performance is likely to occur (Teas et al., 1979). Donnelly and Ivancevich (1975) highlight that employees need clear understanding of job requirements, expectations of their work, and the specific criteria used to evaluate them. Uncertainty regarding employee's role as a brand representative is likely to result in lower sales performance. Consistent with previous research in marketing and organizational behavior (e.g., Churchill, Ford, Hartley, & Walker, 1975; Whitaker et al., 2007), we hypothesize that greater role clarity about the expected brand behaviors leads to better sales performance.

H8: Brand's role clarity has a positive effect on employee's sales performance.

4.6 Methodology: sampling and measures

In line with the definition of employee brand knowledge as the “cognitive representation of the brand in employee's memory,” the sampling frame comprised frontline employees, in particular salespeople of new cars in car dealerships. Car dealerships play an integral role in the relationship between the customer and the car brand. This reflects the importance of sales and service employees within dealerships building successful relationships with buyers and contributing to brand's success. Automotive industry was chosen due to its high investments in branding/marketing (Business Review Europe, 2017) and its focus on building strong brands (Interbrand, 2016). Car manufacturers continuously implement extensive brand training and communication activities along the distribution line, which enables a development of brand knowledge among salespeople.

Participants in the study were new car salespeople and their direct supervisors at car dealerships in one country. All major car dealers and leading automotive brands were included: Audi, BMW, Dacia, Mercedes-Benz, Opel, Peugeot, Renault, Škoda, Toyota, and Volkswagen. A total of 35 car dealers agreed to participate, which yielded a 59.3% response rate. The data were collected on-site. Respondents received the surveys along with an envelope and a cover letter explaining the purpose of the study. A total of 152 employees completed the surveys, of which 117 were frontline employees and 35 were their supervisors. The completed sample of frontline employees comprised 83% males, respondents' average age was 37 years, and the average tenure was 8.8 years. All employees reported customer contact on a daily basis. Of the supervisors, 77% were male, the average age was 40 years, and the average tenure was 13 years.

4.6.1 Measures

Employee brand awareness. In relation to employee brand awareness, we measured employees' subjective and objective knowledge. *Subjective brand awareness* was measured with seven items from Aaker (1996), Baumgarth and Schmidt (2010), and Yoo and Donthu (2001). The scale captures employees' evaluation of their knowledge about the brand identity, and it measures predominantly employee brand awareness of the nonvisual elements of brand identity.

Objective brand awareness is measured as brand recall of brand identity in a form of a performance test. We chose to measure the recall because this level of knowledge is expected from employees as brand representatives. In comparison to consumers, employees need to be more knowledgeable about the brand and should have higher levels of brand awareness, thus brand recall as a measure of objective brand awareness is more relevant. Employees answered eight open-ended questions regarding the brand identity. They had to list brand's colors, slogan, and symbol as visual elements of brand identity. They also reported on brand's personality, values, vision, differential advantages, and brand promises that represent nonvisual elements of the brand identity. The questions that were used are reported in Table 15. The level of their knowledge was independently evaluated by two authors. They compared employee responses with formal brand identity. Information on brand identities was acquired from car companies and dealerships, companies' annual reports and brands' formal Internet pages. Employees' overall brand knowledge of brand identity was evaluated with five-point scale anchored at 1 = *low brand knowledge* and 5 = *high brand knowledge*. Evaluators provided a score for employee's overall knowledge of brand identity.

Table 15. Measurement for objective brand awareness

Element of brand identity	Measure
Brand colors	Which colors represent the brand?
Brand slogan	What is the slogan of the brand?
Brand symbol/logo	Which symbol/logo represents the brand?
Brand personality	Which personal characteristics represent the brand?
Brand vision	What is the vision of the brand?
Brand values	Which values represent the brand?
Brand differentiation	What makes the brand different from competing brands?
Brand promises	What the brand promises to customers? Specify up to 3 promises.

Employee brand image and role clarity. Employee brand image was measured with items proposed by Aaker (1996) and validated by Buil, de Chernatony, and Martinez (2008) and Martinez and de Chernatony (2004). Three types of associations that are broadly recognized in the literature were included: brand value, brand personality, and brand differentiation. Brand value and brand personality were measured with three-item scales and brand differentiation with a two-item scale. While Aaker (1996) proposes organizational

associations (brand-as-organization) relevant to the brand image, we adapt the concept to the employee context and introduce employee associations about brand identity. They are measured with three items adapted after Foreman and Money (1995) and Kimpakorn and Tocquer (2010). With the scales of brand image, we captured employees' positive or negative perceptions about the brand they work for. King and Grace (2010) first introduced measurement for employee role clarity, which was later adapted and validated by Xiong et al. (2013) and Piehler et al. (2016). We use a four-item scale by Xiong et al. (2013) to measure brand's role clarity. All knowledge constructs, except objective brand awareness, were measured with a seven-point Likert scale, ranging from *strongly disagree* (1) to *strongly agree* (7). Measurement items are reported in Appendix D.

Employee brand behaviors. In-role brand behavior was assessed with four items, participation in brand development was measured with a three-item scale, and employee's positive WOM was measured with three items. These behaviors were measured with scales by Löhndorf and Diamantopoulos (2014) and Morhart et al. (2009). Employee customer-oriented behavior was measured with four items by Auh et al. (2014). Supervisors also evaluated employee customer-oriented behavior. We used a supervisor-rated measure of employee behavior because employees may overrate their performance, and supervisor-rated measures of employee behavior are perceived as being more valid than employee self-ratings (Netemeyer et al., 2005). Thus, a comparison between employee and supervisor evaluation can be made. All constructs were measured with a seven-point Likert scale, ranging from *strongly disagree* (1) to *strongly agree* (7).

Employee brand identification and sales performance. Brand identification was measured with an item developed by Bergami and Bagozzi (2000). Respondents were asked to express their perceived overlap between their own identity and the brand identity by indicating a picture that best describes this overlap. The item is illustrated in Appendix E. We asked respondents to evaluate the overlap in time 1 (when they first started to work for the brand) and in time 2 (present time). Both levels of identification (i.e., at time 1 and time 2) were evaluated at the same time. Sales performance was measured in the following manner. Supervisors reported for each of their frontline employees whether he or she achieved sales goals. The information was based on number of cars sold by the frontline employee. We used a four-point scale, with answers *not achieving* (1), *achieving* (2), *exceeding* (3), and *greatly exceeding* (4).

Because some of the scales for employee brand knowledge had to be adapted to the employee context, several steps to achieve content validity were implemented. In the first stage of questionnaire preparation, one author applied the scales to the employee context, while other authors reviewed them. The second stage included 10 face-to-face interviews with HR and marketing managers from different industries. The purpose was to determine content validity and clarity of expressions. After the questionnaire revisions, additional interviews with three managers and two employees from the automotive industry were conducted to ensure the

appropriateness of the questions. Moreover, a back-translation process was adopted, as the surveys were initially prepared in English, but participations were not English-speaking (Brislin, 1986).

4.7 Analysis

4.7.1 Components of employee brand knowledge: measurement model

We assessed the quality of the measurement scales by conducting confirmatory factor analysis (CFA) in Mplus7. We estimated two measurement models, the first with brand awareness as subjective knowledge (Table 16) and the second with brand awareness as objective knowledge (Table 17). The first measurement model demonstrated a very good fit to the data: ($\chi^2(df) = 74.691(51)$, p -value = 0.017, $\chi^2/df = 1.46$; CFI = 0.974; TLI = 0.966; RMSEA = 0.062, p -value = 0.244; and SRMR = 0.057) as well as the second measurement model: ($\chi^2(df) = 39.950(25)$, p -value = 0.030, $\chi^2/df = 1.60$; CFI = 0.975; TLI = 0.964; RMSEA = 0.071, p -value = 0.194; and SRMR = 0.046). All constructs achieved higher than 0.70 for composite reliability and higher than 0.50 for average variance extracted (AVE) (Bagozzi & Yi, 1988). These findings provide evidence for the convergent validity of the constructs.

In addition, discriminant validity is achieved, if the squared correlation between any two constructs is less than the AVE of those two constructs (Fornell & Larcker, 1981). Discriminant validity was achieved, except between subjective brand awareness and employee brand image. The correlation between them was very high (0.83), which suggested the inseparability of those two constructs. Also, the squared correlation (0.69) between the two factors was larger than the AVE for either awareness (0.58) or image (0.63). Based on the results, we found two components of employee brand knowledge, when brand awareness was assessed subjectively. When we measured brand awareness objectively, three components of brand knowledge were found, which is in line with Hypothesis 1a. The descriptive statistics and relevant psychometric properties for the first model are reported in Table 16 and for the second in Table 17.

Table 16. Descriptive statistics, reliability and validity, correlation matrix with subjective brand awareness

Variables	M	SD	α	CR	AVE	1	2
1. Brand awareness (subjective)	6.64	0.62	0.84	0.85	0.58		
2. Brand image	6.45	0.63	0.86	0.87	0.63	0.83	
3. Brand's role clarity	6.37	0.80	0.90	0.80	0.70	0.55	0.61

Notes: Numbers in the matrix represent correlations between constructs. Calculations are made on standardized results. Variables were measured on a 7-point Likert scale.

Table 17. Descriptive statistics, reliability and validity, correlation matrix with objective brand awareness

Variables	M	SD	α	CR	AVE	1	2
1. Brand awareness (objective) ¹	3.03	.84	–	–	–		
2. Brand image	6.45	.63	.86	.87	.63	.17	
3. Brand's role clarity	6.37	.80	.90	.80	.70	.09	.60

Notes: Numbers in the matrix represent correlations between constructs. Calculations are made on standardized results. Awareness was measured on a 5-point Likert scale, while others were measured on a 7-point Likert scale. ¹ Objective brand awareness is a single item construct.

4.7.2 Convergent validity with a measure of overall employee brand knowledge

To check for convergent validity, we also constructed employee brand knowledge as a second-order construct, with first-order reflective factors being objective brand awareness, employee brand image, and brand's role clarity. We chose objectively assessed brand awareness over a subjective one because three distinct constructs were found only for objective knowledge, and no discriminant validity was found between subjective awareness and brand image. The path coefficients of higher-order employee brand knowledge to the awareness, image, and role clarity were 0.34, 0.68, and 0.84, respectively.

To test a convergent validity, we evaluated the correlation of employee brand knowledge (as a second-order construct) with an external criterion, which was represented by a three-item unidimensional scale that captured overall employee brand knowledge. The scale was adapted from Flynn and Goldsmith's (1999) short subjective knowledge scale, which originally measures consumers' overall knowledge about the product, but we adjusted it to measure the general employee knowledge about the brand. The items of the scale are reported in Appendix D. The composite reliability of the scale was 0.91, alpha was 0.90, and AVE was 0.77. The correlation between overall employee brand knowledge (general scale) and second-order employee brand knowledge was 0.78. This high correlation supports the convergent validity of employee brand knowledge.

4.7.3 Subjective and objective brand knowledge comparison

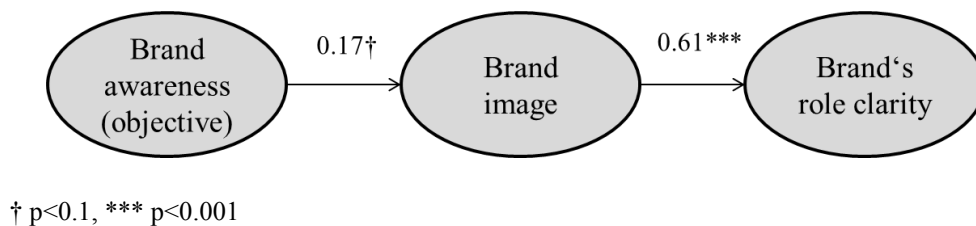
To test Hypothesis 1b, the following analyses were performed in SPSS and Mplus7. Results show that there is a statistically significant difference ($p < 0.001$) between subjectively and objectively measured brand awareness. The mean of subjective brand awareness ($M_s = 6.64$) is much higher than the mean of objective brand awareness ($M_o = 3.04$), which supports H1b. Although the correlation between subjective and objective measure is significant, it is relatively low 0.20 ($p < 0.05$). To delve deeper into their distinction, we tested the influence of both types of knowledge on brand behaviors. The structural model demonstrated a satisfactory fit to the data: ($\chi^2(df) = 235.31(139)$, p -value = 0.00; CFI = 0.91; TLI = 0.90;

RMSEA = 0.08, p -value = 0.01; and SRMR = 0.08). Results show that subjective brand awareness is positively and significantly related to in-role brand behavior ($\beta = 0.55, p < 0.001$), participation in brand development ($\beta = 0.37, p < 0.001$), and WOM ($\beta = 0.47, p < 0.001$), while there is no significant effect on customer-oriented extra-role behavior ($\beta = -0.06, n.s.$). On the contrary, objective brand awareness is positively and significantly related to customer-oriented extra-role behavior ($\beta = 0.24, p < 0.05$), while we found no significant effect on in-role brand behavior ($\beta = -0.05, n.s.$), participation in brand development ($\beta = -0.002, n.s.$), and WOM ($\beta = 0.02, n.s.$).

4.7.4 Relationship between brand awareness, brand image, and brand's role clarity

To test Hypothesis 3, we examined the relationships among objective brand awareness, brand image, and brand's role clarity. The structural model demonstrated a very good fit to the data: ($\chi^2(df) = 39.95(25), p$ -value = 0.03; CFI = 0.98; TLI = 0.96; RMSEA = 0.07, p -value = 0.19; and SRMR = 0.05). The path coefficient from awareness to brand image is positive and significant ($\beta = 0.17, p < 0.1$), while from awareness to role clarity is nonsignificant ($\beta = -0.01, n.s.$). The path coefficient from brand image to role clarity is positive and significant ($\beta = 0.61, p < 0.001$). Also, the mediating effect of awareness on role clarity through brand image is positive and significant ($\beta = 0.11, p$ -value = 0.079; 90% confidence interval [0.007, 0.202]). In conclusion, we find that brand awareness influences brand image but not brand's role clarity, and that brand image influences brand's role clarity (Figure 10), which supports H3a and H3b. We also show that brand image is an important mediator between brand awareness and brand's role clarity.

Figure 10. Path from brand awareness to brand's role clarity



4.7.5 Consequences of employee brand knowledge

To examine the role of employee brand knowledge components in internal branding, we explore their relationships with employee brand behaviors, employee brand identification, and employee sales performance as consequences. Employee brand behaviors were constructed as latent variables with multi-item scales. Factor loadings of items measuring brand behaviors ranged from 0.62 to 0.90. The reliability of in-role brand behavior, participation, WOM, and customer-oriented behavior was 0.88, 0.80, 0.74, and 0.91, respectively. Although we hypothesized particular components to influence different brand behaviors (H3 – H6), we explored the relations of all three components on brand behaviors.

The structural model demonstrated a very good fit to the data: ($\chi^2(df) = 286.12(212)$, p -value = 0.00; CFI = 0.95; TLI = 0.95; RMSEA = 0.05, p -value = 0.33; and SRMR = 0.07). Brand image and role clarity are positively and significantly related to in-role brand behavior ($\beta = 0.16$, $p < 0.05$; $\beta = 0.82$, $p < 0.001$), while objective brand awareness does not have a significant effect. Brand image is positively and significantly related to participation in brand development ($\beta = 0.44$, $p < 0.001$), while objective brand awareness and role clarity do not have significant effects on participation. Brand image and role clarity are positively and significantly related to WOM ($\beta = 0.26$, $p < 0.05$; $\beta = 0.44$, $p < 0.01$), while objective brand awareness does not have a significant effect. Last, brand awareness and role clarity are positively and significantly related to customer-oriented extra-role behavior ($\beta = 0.23$, $p < 0.05$; $\beta = 0.25$, $p < 0.05$), while brand image does not have a significant effect. The summary of results is presented in Table 18.

Table 18. The effects of knowledge components on brand behaviors and status of hypotheses

Hypotheses	Path	Coefficient	z-value	Significant	H. status
H3a	Awar → IBB	-0.065	-1.266		Not supported
	Image → IBB	0.159	2.170	✓	
H3b	Role → IBB	0.823	14.222	✓	Supported
	Awar → PBD	-0.019	-0.204		
H4a	Image → PBD	0.435	3.558	✓	Supported
H4b	Role → PBD	0.127	1.020		Not supported
	Awar → WOM	0.016	0.179		
H5	Image → WOM	0.260	2.057	✓	Supported
	Role → WOM	0.437	3.480	✓	
	Awar → COB	-0.105	-1.176		
H6a	Image → COB	0.195	1.552		Not supported
H6b	Role → COB	0.349	2.925	✓	Supported
	Awar → COB(L)	0.230	2.392	✓	
H6a	Image → COB(L)	-0.136	-0.975		Not supported
H6b	Role → COB(L)	0.254	1.997	✓	Supported

Notes: Standardized coefficients are reported. IBB = in-role brand behavior, PBD = participation in brand development, WOM = word-of-mouth, COB(L) = customer-oriented extra-role behavior (leader)

To test whether employees' self-evaluation of behavior has an impact on the results, we replaced leaders' evaluation of customer-oriented extra-role behavior with employees' self-evaluation of this behavior. The significance of the relationships between brand image and behavior (nonsignificant) and between role clarity and behavior (significant) did not change, while there was a change in the awareness – behavior relationship. When employees self-evaluate their customer-oriented extra-role behavior, the effect of brand awareness (objective) on this behavior is nonsignificant ($\beta = -0.105$, n.s.). However, the effect is significant with leader's evaluation of this behavior.

Moreover, we tested the influence of knowledge components on brand identification at time 1 and time 2. The structural model demonstrated a very good fit to the data: ($\chi^2(df) = 64.94(39)$, p -value = 0.00; CFI = 0.96; TLI = 0.95; RMSEA = 0.07, p -value = 0.11; and SRMR = 0.06). Brand image positively and significantly affects brand identification at time 1 and time 2. Effect of image on brand identification at time 2 is much stronger ($\beta = 0.53$, $p < 0.001$) than at time 1 ($\beta = 0.26$, $p < 0.05$). However, we uncovered no significant impact of brand awareness and role clarity on brand identification. Therefore, H7 is supported. We also tested the influence of components of employee brand knowledge on sales performance. The structural model demonstrated a very good fit to the data: ($\chi^2(df) = 52.75(33)$, p -value = 0.02; CFI = 0.97; TLI = 0.96; RMSEA = 0.07, p -value = 0.17; and SRMR = 0.07). Results show that brand's role clarity positively and significantly affects employee sales performance ($\beta = 0.35$, $p < 0.01$), while we uncovered no significant impact of brand awareness and brand image on sales performance ($\beta = -0.04$, n.s., and $\beta = -0.13$, n.s., respectively). Therefore, H8 is supported. The path coefficients and z -values are presented in Table 19.

Table 19. The effects of employee brand knowledge components on sales performance and brand identification

Hypotheses	Path	Coefficient	z -value	Significant	H. status
H7	Awar \rightarrow IDEN(T1)	0.056	0.636		Supported
	Image \rightarrow IDEN(T1)	0.257	2.114	✓	
	Role \rightarrow IDEN(T1)	0.076	0.636		
H7	Awar \rightarrow IDEN(T2)	0.041	0.533		Supported
	Image \rightarrow IDEN(T2)	0.532	5.346	✓	
	Role \rightarrow IDEN(T2)	0.090	0.857		
H8	Awar \rightarrow PER	-0.040	-0.345		Supported
	Image \rightarrow PER	-0.128	-0.926		
	Role \rightarrow PER	0.351	2.868	✓	

Notes: Standardized coefficients are reported. PER = sales performance, IDEN = brand identification, T1 = time 1, and T2 = time 2

4.8 Discussion

The purpose of our research is to advance conceptualization and measurement of employee brand knowledge, one of the essential concepts in internal branding. Although past research investigated its role to some extent, we contribute by investigating which components define employee brand knowledge, what types of employee brand knowledge exist, and how different knowledge components influence internal branding outcomes (brand behaviors, brand identification, and sales performance). The richness of brand knowledge is well evident in consumer research, where a great deal of attention was given to its definition, types of knowledge, and their impact on consumer behavior.

4.8.1 Theoretical implications

Although we build our conceptualization on Keller's (1993) model of consumer brand knowledge, we consider several aspects that suggest differentiating between employees and consumers in terms of their brand knowledge. For example, defining employee brand awareness in terms of Keller's classical definition of brand awareness would not be beneficial because all employees as brand members have high brand awareness. Rather, employees should be aware of a brand's identity and possess sound knowledge of its elements. Moreover, employees are an important touch point between the brand and the customers; thus, their behaviors, attitudes, and appearance reflect the brand. In order to deliver brand promises to customers, employees need the knowledge of desired brand behaviors and their role in representing the brand. We conclude that employee brand knowledge is more complex, comprehensive, and profound than consumer's brand knowledge.

We advance the field of internal branding by defining three components that constitute employee brand knowledge: employee brand awareness, employee brand image, and employee brand's role clarity. The proposed components help clarify the structure of employee brand knowledge in detail. We also propose and test measures for employee brand awareness and employee brand image, while the measure for role clarity was already validated. We establish conceptually and verify empirically that employee brand knowledge comprises of three components, namely, objective brand awareness, brand image, and a brand's role clarity.

While past studies only considered subjective employee brand knowledge, we define and measure brand awareness subjectively and objectively and compare both aspects. We find that objective and subjective measures of employee brand awareness should not be used interchangeably. Although their correlation is significant and positive, it is relatively low (0.20). Our results show that these two constructs are distinct and a measure of one type cannot be used as a measure of the other. What we think we know (subjective knowledge) and what we actually know (objective knowledge) are two different things, and they have different effects on brand behavior (Flynn & Goldsmith, 1999). Researchers in internal branding should not opt for measuring subjective knowledge because it is easier to measure or when objective knowledge is not possible to acquire, as this will not provide a reasonable approximation.

Objective measures tend to be less prone to bias and random error (Bommer, Johnson, Rich, Podsakoff, & MacKenzie, 1995). Self-perceptions are often biased such that individuals see themselves more positively than they should, and these distortions may be even more pronounced when individuals are not prompted to compare themselves with another when making self-judgments. Probably, we would find a stronger positive relationship between objective and subjective knowledge, if measures of subjective knowledge would use another as the referent than when measures of subjective knowledge use oneself as the referent. If

subjective knowledge is used as a surrogate for objective knowledge in situations where there is a weak relationship between them, researchers may not capture employee brand knowledge as intended (Carlson et al., 2009).

According to our results, subjective brand awareness and brand image should be combined into one construct or used interchangeably due to high correlation (0.83) and consequently a lack of discriminant validity. Our finding coincides with the results of Yoo and Donthu (2001), which did not find support for distinguishing between brand awareness and brand image. Because both constructs are measured as employee perceptions, we presume that employees do not distinguish between evaluating their knowledge about the brand identity and evaluating their perceptions of the brand. However, when we measure brand awareness objectively (assessing employees' actual knowledge about the brand identity), correlation with brand image is low (0.17), and we find support for discriminant validity.

We tested whether components of employee brand knowledge influence each other. In consumer research on brand equity, the hierarchy of effects model suggests that brand awareness and image precede perceived quality and that perceived quality precedes brand loyalty (Yoo & Donthu, 2001). Although our results suggest that brand image and role clarity, with their connotations of employees' confidence, are the primary determinants of brand behaviors, we argued that brand image and role clarity may be actually driven by objective brand awareness. In our study, we found that brand awareness influences brand image but not brand's role clarity and that brand image influences brand's role clarity. We also show that brand image is an important mediator between objective brand awareness and brand's role clarity. In such cases, one may postulate that subjective knowledge is a consequence of objective knowledge and mediates the effects on brand behaviors.

Important implications also derive from investigating the consequences of employee brand knowledge. The results show that employee brand image is the only component of brand knowledge that influences employee participation in brand development, while role clarity is the only construct that has an impact on self-reported customer-oriented extra-role behavior. If employees hold positive and distinct associations about the brand, they are typically motivated to voluntarily share ideas about the brand and provide customer feedback in order to strengthen the brand. Also, they develop identification with the brand. Moreover, employees with a clear idea about their role as brand representatives are more inclined toward providing customers with exceptional services. Employee brand image and role clarity also enhance in-role brand behavior and WOM. Employees with greater subjective knowledge are likely to feel less confused and more confident about displaying brand-aligned behaviors. Also, they are motivated to endorse the brand externally, to friends and family.

The absence of significant effects for objective knowledge on brand behaviors suggests that self-perceived knowledge, confidence, and role clarity rather than objective knowledge influence self-reported behaviors. However, when other evaluators of employee knowledge

and behaviors are used, the effect becomes significant. When leaders evaluated employees' customer-oriented behavior and two independent evaluators assessed employee brand awareness, objective brand awareness and role clarity turned out to be significant predictors of this behavior. Our results show that objective knowledge has an important role in building customer-oriented extra-role behavior. Moreover, employees' knowledge about the desired brand behaviors is the most important predictor of brand behaviors – it enhances all behaviors except participation in brand development. High importance of brand's role clarity also is supported by the finding, which is the only component of employee brand knowledge that directly influences employee sales performance.

4.8.2 Practical implications

Employee brand knowledge represents a basis on which organizations can build a competitive advantage. When employee brand knowledge transforms from brand awareness to brand image and role clarity, it becomes more tacit in nature, which makes it more difficult to be copied by competitors. Competitive brands have a hard time to comprehend and imitate, if an organization has employees that know their role as brand representatives and perceive the brand as being unique. Also, our results show that strong brand image results in higher employee identification with the brand, motivates employees to proactively engage in behaviors that support the brand, and encourages them to positively talk about the brand, which helps to positively differentiate the brand from others. Moreover, organizations should concentrate on developing employees brand's role clarity, as our study shows that employees with clear knowledge of their roles as brand representatives achieve better sales performance.

In our study, we establish the importance of employee brand knowledge. We recommend to measure employee brand knowledge through employee self-evaluations and by conducting a performance test regarding knowledge of brand identity. Based on the level of knowledge, different strategies may be applied. For example, to enhance brand awareness, which is the first step toward building brand knowledge, educational activities and brand books that focus on brand identity could be used. Employees should first understand what the brand represents; then they could develop positive brand image and clarity about their role. Our study shows that, for employees to identify with the brand and display extra-role behaviors, it is not only important that they know how the brand is different from that of the competitors, but also that they perceive the brand different and unique. Because an ordering exists among the components of employee brand knowledge, to manage resources more efficiently, managers should consider strategies that focus on the timing of the components.

4.8.3 Limitations and future research directions

Although our study offers new insights regarding the complexity and structure of employee brand knowledge, it is the first attempt toward redefining the construct; therefore, new studies should be applied to revalidate our scale. Additional research should validate the proposed

measures using different types of products and services. Moreover, we only found a significant relationship between objectively assessed brand knowledge and brand behavior, when the behavior was evaluated by an employee's supervisor and not as a self-perception. Therefore, we propose for future research to include others as referents (for example, supervisors, co-workers, and customers) for measuring employees' role clarity and their brand behaviors. Comparing subjective and objective role clarity and exploring their effects on brand behaviors would bring new insights to the knowledge literature in internal branding. Also, we propose to examine the effect of objective brand awareness on employee brand behaviors that were evaluated by others and not by employees.

We can enhance brand knowledge by increasing the familiarity of the brand through repeated exposure (Keller et al., 2008). It means using systematic, consistent, and regular internal branding activities that help employees to get to know the brand. We propose that additional research on brand knowledge explores the impact of internal branding activities at the brand/organizational level on employee brand awareness, brand image, and brand's role clarity at the individual level. Different activities (for example, internal brand communication, brand-oriented HR practices, or brand-oriented leadership) may have differential effects on components of employee brand knowledge. Internal brand communication may be an important predictor of brand awareness, while brand-oriented leadership may be a better predictor of brand image.

GENERAL DISCUSSION

Here, we summarize the research efforts of our studies, which have been described in the previous articles. First, we summarize the main findings. Then, we present theoretical, methodological, and managerial implications. Last, we outline the main limitations of our research and propose future research directions.

Summary of the main findings

The aim of this dissertation was to study the process of internal branding, consider its multilevel contexts, and examine the effects on employees. To accomplish this, the following steps were carried out. First, we empirically investigated brand-oriented leadership of top management and brand-oriented HR practices as higher-level strategies for internal branding implementation (Articles 1 and 2). Second, quantitative research was conducted to examine the consequences of internal branding at the employee level (Article 3). Third, we explored, in-depth, employee brand knowledge that represents the central mediator between internal branding and brand behaviors. A summary of the main findings of each study is presented in Tables 20, 21, 22, and 23. The summary includes the hypotheses and their status, theoretical contributions, and practical implications.

Table 20. Summary of the main findings and contributions – Article 1

TITLE: Internal branding process: Exploring the role of mediators in top management’s leadership – commitment relationship	
Hypotheses	<p><i>Hypothesis 1:</i> Perceived employee brand knowledge mediates the relationship between top management’s brand-oriented leadership and employees’ brand commitment. (<i>supported</i>)</p> <p><i>Hypothesis 2:</i> Perceived fulfillment of psychological contract mediates the relationship between top management’s brand-oriented leadership and employees’ brand commitment. (<i>supported</i>)</p> <p><i>Hypothesis 3:</i> Perceived employee-brand fit mediates the relationship between top management’s brand-oriented leadership and employees’ brand commitment. (<i>supported</i>)</p>
Methodology	Quantitative study (questionnaire): 226 employees, international hotel chain. Structural equation modeling, mediation.
Main findings	Perceived employee brand knowledge, perceived fulfillment of psychological contract, and perceived employee-brand fit mediate the relationship between top management’s brand-oriented leadership and employees’ brand commitment.
Theoretical contributions	<p>Introduced brand-oriented leadership of top management as a means for implementing internal branding.</p> <p>Provided empirical evidence that brand-oriented leadership of top management influences employees and their relationship with the brand.</p> <p>Showed the indirect relationship between top management’s brand-oriented leadership and brand commitment. Provided empirical evidence that employee brand knowledge, psychological contract fulfillment, and employee-brand fit mediate the relationship.</p>
Practical implications	<p>Top management influences employees by internally communicating brand values, sharing brand vision, and acting as role models.</p> <p>Leaders should focus on enhancing employee brand knowledge, fulfilling a psychological contract, and increasing employee-brand fit.</p>

Table 21. Summary of the main findings and contributions – Article 2

TITLE: Brand-oriented HR practices and brand behaviors of service employees: Cross-level direct and mediating effects	
Hypotheses	<p><i>Hypothesis 1:</i> Brand-oriented (a) recruitment and (b) performance appraisal are directly and positively related to brand-building behaviors. (<i>partially supported</i>)</p> <p><i>Hypothesis 2:</i> Brand-oriented (a) recruitment, (b) training, and (c) performance appraisal are indirectly and positively related to brand-building behaviors through employee brand knowledge. (<i>partially supported</i>)</p>
Methodology	Quantitative study (questionnaire), multilevel and multi-source data: 117 frontline employees and 35 supervisors, car dealerships. Multilevel path analysis, mediation.
Main findings	<p>Brand-oriented recruitment positively influences in-role brand behavior. Brand-oriented performance appraisal positively impacts customer-oriented extra-role behavior.</p> <p>Brand-oriented training through employee brand knowledge enhances in-role brand behavior and participation in brand development.</p>
Theoretical contributions	<p>Provided a definition of brand-oriented HRM and defined each of the brand-oriented HR practices (brand-oriented recruitment, training, and performance appraisal).</p> <p>Developed a measurement scale for brand-oriented HR practices.</p> <p>Provided empirical evidence that brand-oriented HR practices have differential roles in influencing employee brand knowledge and employee brand behaviors.</p>
Practical implications	<p>Investing in brand-oriented training enables managers to enhance employee brand knowledge and consequently brand behaviors.</p> <p>In the recruitment and selection processes, by giving priority to candidates with higher brand fit, organizations can more easily develop employees' in-role behavior.</p> <p>Improving customers' service experience by implementing a brand-oriented performance appraisal system.</p>

Table 22. Summary of the main findings and contributions – Article 3

TITLE: From employee brand knowledge to sales performance: A multilevel study of internal branding process in the automotive industry	
Hypotheses	<p><i>Hypothesis 1:</i> In-role brand behavior and customer-oriented extra-role behavior mediate the positive relationship between employee brand knowledge and sales performance. (<i>supported</i>)</p> <p><i>Hypothesis 2:</i> Participation in brand development and customer-oriented extra-role behavior mediate the positive relationship between employee brand knowledge and sales performance. (<i>not supported</i>)</p> <p><i>Hypothesis 3:</i> Customer-oriented extra-role behavior mediates the positive relationship between employee brand knowledge and sales performance. (<i>supported</i>)</p> <p><i>Hypothesis 4:</i> Brand class moderates the relationship between employee brand knowledge and brand-building behaviors ((a) in-role brand behavior, (b) participation in brand development, and (c) customer-oriented extra-role behavior), such that the relationship is stronger for luxury brands. (<i>partially supported</i>)</p>
Methodology	Quantitative study (questionnaire), multilevel and multi-source data: 117 frontline employees, 35 supervisors, and 10 global car brands. Car dealerships. Path analysis and controlling for multiple levels, mediation. Cross-level interaction.
Main findings	<p>In-role brand behavior and customer-oriented extra-role behavior mediate the positive relationship between employee brand knowledge and sales performance.</p> <p>Customer-oriented extra-role behavior mediates the positive relationship between employee brand knowledge and sales performance.</p> <p>For luxury brands, the influence of brand knowledge on participation in brand development and customer-oriented extra-role behaviors is positive and strong.</p> <p>For lower class brands, the relation between knowledge and participation is positive but weak, while the effect of brand knowledge on customer-oriented behavior is negative and strong.</p>
Theoretical contributions	<p>Showed that the internal branding process enhances sales performance.</p> <p>Provided empirical evidence for which employee brand behaviors are significant mediators between brand knowledge and sales performance.</p> <p>Recognized brand class as an important moderator of the relationship between employee brand knowledge and brand behaviors.</p>
Practical implications	<p>Managers can achieve higher sales performance by implementing internal branding.</p> <p>Higher class brands are better in building extra-role brand behaviors than lower class brands.</p>

Table 23. Summary of the main findings and contributions – Article 4

TITLE: Employee brand knowledge: Conceptual and measurement refinements	
Hypotheses	<p><i>Hypothesis 1a:</i> Employee brand knowledge consists of three components: brand awareness, brand image, and brand’s role clarity. (<i>supported</i>)</p> <p><i>Hypothesis 1b:</i> Objective brand awareness and subjective brand awareness are distinct constructs. (<i>supported</i>)</p> <p><i>Hypothesis 2:</i> (a) Brand awareness positively impacts brand image, and (b) brand image positively impacts employee brand’s role clarity. (<i>supported</i>)</p> <p><i>Hypothesis 3:</i> (a) Brand awareness and (b) role clarity have positive effects on in-role brand behavior. (<i>H3a not supported, H3b supported</i>)</p> <p><i>Hypothesis 4:</i> (a) Brand image and (b) role clarity have positive effects on participation in brand development. (<i>H4a supported, H4b not supported</i>)</p> <p><i>Hypothesis 5:</i> Employee brand image has a positive effect on employee’s positive WOM. (<i>supported</i>)</p> <p><i>Hypothesis 6:</i> (a) Employee brand image and (b) brand’s role clarity have positive effects on customer-oriented extra-role behavior. (<i>H6a not supported, H6b supported</i>)</p> <p><i>Hypothesis 7:</i> Employee brand image has a positive effect on employee brand identification. (<i>supported</i>)</p> <p><i>Hypothesis 8:</i> The brand’s role clarity has a positive effect on employee’s sales performance. (<i>supported</i>)</p>
Methodology	Quantitative study (questionnaire), multi-source data: 117 frontline employees and 35 supervisors. Car dealerships. SEM.
Main findings	<p>Identification of three components that constitute employee brand knowledge: (objective) employee brand awareness, employee brand image, and employee brand’s role clarity.</p> <p>The correlation between objective and subjective brand awareness is significant and positive, but weak.</p> <p>Brand awareness impacts brand image and image influences role clarity.</p> <p>Objective brand awareness drives customer-oriented behavior.</p> <p>Employee brand image impacts in-role brand behavior, participation in brand development, word-of-mouth, and brand identification.</p> <p>Employee role clarity influences in-role brand behavior, employee word-of-mouth, customer-oriented behavior, and sales performance.</p>
Theoretical contributions	<p>Conceptualized employee brand knowledge and its components.</p> <p>Introduced measurement scales for components of employee brand knowledge.</p> <p>Provided conceptual and empirical evidence that objective and subjective types of knowledge should not be used interchangeably.</p> <p>Provided empirical evidence that components of brand knowledge have differential effects on employee-brand related outcomes.</p>
Practical implications	<p>Managers should build on employee brand knowledge because its tacit nature enables them to gain competitive advantage.</p> <p>Investing in employee brand knowledge leads to higher sales performance.</p>

Overarching theoretical and methodological contributions

This dissertation brings novel insights about the implementation of internal branding and its influence on employees; therefore, we present several contributions to internal branding theory. Because insufficient attention was dedicated to the implementation and mechanisms that explain the relationship between internal branding activities and outcomes, we investigated brand-oriented leadership of top management and brand-oriented HR practices as approaches for internal branding implementation.

Employees are more willing to accept the brand and align their attitudes accordingly if they perceive that top managers truly believe in brand values and demonstrate brand-consistent behaviors (Lee et al., 2013). To achieve internal branding success, the process needs to start at the top with management believing in the importance of a strong brand and the brand identity (Burmam & Zeplin, 2005). Top managers provide guidance to their employees and act as role models (Kara et al., 2013). They are also responsible for creating the brand culture, sharing brand vision, and instilling brand values among employees (Lee et al., 2013). Although previous studies have emphasized the direct influence of brand-oriented leadership on employee brand commitment (Burmam & Zeplin, 2005; Burman et al., 2009; Vallaster & de Chernatony, 2005, 2006; Wallace et al., 2011, 2013), our study shows that top management's brand-oriented leadership influences employee commitment through fully mediated paths with perceived brand knowledge, psychological contract fulfillment, and employee-brand fit as mediators. Because we investigated top management leadership, we found an indirect influence on employee commitment. Moreover, effective and consistent transmission of brand messages by top management enables an organization to clearly position its brand in the minds of employees, drives employee internalization of brand values, and contributes to upholding the psychological contract between the organization and the employee.

Although several researchers and brand experts have emphasized the importance of HR activities for successful internal branding (Aurand et al., 2005; Burmann et al., 2009; Miles & Mangold, 2005), there is little theoretical foundation regarding brand-oriented HRM. Our study fills this gap by providing a definition of brand-oriented HRM and comprehensively defining each of the brand-oriented HR practices. We identified brand-oriented recruitment, training, and performance appraisal as the main brand-oriented HR activities. Moreover, we developed measurement scales for each brand-oriented HR practice from Lepak and Snell's (2002) HR configuration questionnaire. In the empirical section, we showed that brand-oriented HR practices have differential roles in influencing brand knowledge and brand behaviors, and thus it is important to know on which HR practice to put more emphasis in order to enhance certain brand behavior. Recruitment based on the level of the applicant's value congruence (brand-oriented recruitment) rather than merely on his/her technical skills is more beneficial to organizations' development of in-role brand behavior. Moreover, we found that brand-oriented performance appraisal is a predictor of employees' customer-

oriented extra-role behavior. As employees are evaluated on the basis of their contributions to a brand's objectives and evaluations are gathered from multiple sources, which also includes customers' feedback, employees are motivated to deliver exceptional services that consequently lead to higher customer satisfaction and sales performance (Baker et al., 2014; Podsakoff & MacKenzie, 1997). Lastly, brand-oriented training enhances in-role brand behavior and participation in brand development indirectly through employee brand knowledge. Brand-oriented training is cognitively oriented and provides employees with brand-related content that enhances their brand knowledge. Training programs convey the importance of the brand and educate about the unique and distinctive brand values, and provide employees with the skills required to become successful brand representatives (Conduit & Mavondo, 2001; Hinkin & Tracey, 2010).

An important theoretical contribution is also a perception of internal branding as a phenomenon that influences different levels in the organization. While the study in Article 1 measured employee perceptions of top management's leadership, the study in Article 2 measured the implemented HR activities (reported by managers). Considering the multilevel nature of internal branding and applying a cross-level approach, we were able to obtain a more integrated understanding of the phenomenon that unfolds across organizational levels (Klein & Kozlowski, 2000). Although multilevel research is seldom used in marketing, its application to the field offers novel insights (Wieseke et al., 2008). Also, violating the hierarchical structure of the data can bring biased estimates and results (Hox et al., 2010).

Two important contributions were derived from the study in Article 3. First, we showed that internal branding has an important role in achieving better sales performance. Our study is the first to empirically exploit this link. The second contribution derives from the finding that employee brand behaviors are important mediators between employee brand knowledge and sales performance. In particular, in-role brand behavior and customer-oriented extra-role behavior work as mediators and represent a "bridge" between internal environment (brand, job requirements) and external environment (customers), while participation in brand development, which is exceptionally internally oriented, does not. Knowledge about the brand gives employees a clear idea of what the brand is and what it represents, which enables them to develop brand-aligned behaviors. Consequently, they know how to behave as brand representatives. When they are consistent in their brand behaviors, employees are more prone to help customers and offer more than the expected services. Providing better services for customers significantly influences employee sales performance.

Our next contribution rests with investigating the possible moderator in the internal branding process. In particular, the cross-level interaction effect of brand class on the relationship between employee brand knowledge and brand-building behaviors was explored. Although we showed that brand knowledge impacts different brand behaviors, these relationships differ between luxury brand, middle-class brands, and lower middle-class brands. For luxury brands, the more employees know about the brand, the more willing they are to participate in

brand development and to go the extra mile for the brand's customers. For lower class brands, the relation between knowledge and participation is also positive, but rather weak. However, the effect of brand knowledge on customer-oriented behavior is negative and strong. The more employees of low class brands know about the brand, the less inclined they are to exert customer extra-role behaviors. Moreover, the relationship between knowledge and in-role brand behavior does not vary across brand classes. Thus, knowledge drives employee in-role brand behavior regardless of whether people work for luxury, middle-class, or lower middle-class brands. In-role brand behavior is a type of behavior that is required of all employees because it is part of their job description.

We incorporated a cognitive aspect of internal brand building, which only a handful of studies have done so far, to explain how internal branding practices influence employees' cognitive perceptions about the brand and how brand knowledge impacts employee brand commitment, identification, brand behaviors, and sales performance. We showed that employee brand knowledge has a very important role in internal branding because it serves as a mediator between internal branding activities (leadership and HRM) and internal branding outcomes at the employee level (brand commitment and brand behaviors) (in Articles 1 and 2). We also advanced conceptualization and measurement of employee brand knowledge (Article 4) by clarifying its structure. We found employee brand awareness, employee brand image, and employee brand role clarity to be components of employee brand knowledge that have differential effects on brand behaviors, brand identification, and sales performance. A brand's role clarity was found to be the most important predictor of employee brand behaviors – it enhances all behaviors except participation in brand development and is the only component of employee brand knowledge that directly influences employee's sales performance.

We found brand awareness and brand image as distinct constructs only when we measured awareness objectively and image subjectively. If both were measured subjectively, then discriminant validity would not be confirmed. When both constructs are measured as employee perceptions, we presume that employees would not distinguish between evaluating their knowledge about the brand identity and evaluating their perceptions of the brand. The next contribution lies in assessing employee brand awareness objectively. Our study is the first to propose this measurement and empirically examine objective brand awareness. We found a correlation with the subjective type low; therefore, a measure of one type cannot be used as a measure of the other. What employees think they know (subjective knowledge) and what they actually know (objective knowledge) are two different things, and they have different effects on brand behaviors (Flynn & Goldsmith, 1999). Therefore, researchers in internal branding should not opt for measuring subjective knowledge when they want to acquire the actual employee knowledge about the brand simply because it is easier to measure or when objective knowledge is not possible to acquire, as this will not provide a reasonable approximation.

Managerial implications

This dissertation also offers significant managerial implications. It highlights the crucial role of top management and their brand-oriented leadership in achieving brand success. Leaders are powerful energizers for internal brand building (Vallaster & de Chernatony, 2006). If employees perceive the alignment between top leaders' behavior and the organizational brand, this stimulates their commitment to the brand. However, the impact of top management's leadership on frontline employees is not straightforward. Top managers should actively work to stimulate commitment through brand-oriented leadership that enhances perceived employee brand knowledge, employee-brand fit, and perceived psychological contract fulfillment. Importantly, their leadership style should be based on transformational leadership with the emphasis on the brand. This is comprised of internally communicating brand values and vision, acting as role models (living the brand), and "walking the talk" to achieve higher understanding of the brand among employees, stronger congruence between the employee and the brand, and perceived fulfillment of a psychological contract. Through these mediating processes, top management can induce higher emotional attachment of frontline employees to the brand.

Organizations should also implement brand-oriented HR practices to grow a workforce of brand ambassadors (Xiong et al., 2013). By unraveling the effects of individual brand-oriented HR practices on employee brand knowledge and brand behaviors, our study helps organizations to manage internal branding activities more effectively. Managers should employ training and development efforts to clarify and reinforce brand behaviors and values. In order to enhance employee behaviors to reflect the brand's promises, we recommend a focus on brand-oriented recruitment. By giving priority to candidates with a higher employee-brand fit in the recruitment and selection processes, organizations can more easily develop employees' in-role behaviors, such as representing brand values and delivering the brand promises (Foster et al., 2010). Moreover, organizations can improve customers' service experiences through employee discretionary behaviors by focusing on a brand-oriented performance appraisal system.

In addition, organizations should constantly monitor their employees' level of brand knowledge. Generally, employees are very knowledgeable about the visual elements of the brand identity (i.e., name, logo, slogan, and symbols) as these elements are easy to remember, while they often lack knowledge on non-visual elements that form the very essence of the brand (e.g., brand's values, promises, vision, and distinctive advantages) (Konecnik, Ruzzier, & de Chernatony, 2013). In their communication to employees, organizations should emphasize the non-visual part of the brand identity, such as the brand's core values, what the brand stands for, and what differentiates it from competitors. Moreover, managers can use brand-oriented training programs and internal and external communication, such as brand books, storytelling, and advertising messages. Use of symbols, for example traditions, myths,

metaphors, heroes, and physical settings, can provide compelling images of what the brand represents (Löhndorf & Diamantopoulos, 2014).

We demonstrated that higher class brands are better at building extra-role brand behaviors than lower class brands. Their internal branding is much more effective in transforming employee brand knowledge into brand-building behaviors. Regardless of brand class, brand knowledge guides employee in-role brand behaviors. However, for developing a brand's extra-role behaviors, additional identity-based motivators are needed, such as an attractive brand personality or unique brand values. By learning from luxury brands, managers of mainstream brands should put more focus on brand building, implement more consistent brand communication, and strengthen the brand. Mainstream brands could build their differentiation from competing brands by investing more in external and internal branding. Having a strong brand brings great advantages to a company, as our results from luxury brands showed.

This dissertation provided new knowledge about employees as brand builders and showed their crucial role in brand success. By developing brand knowledge, employees' positive attitudes toward the brand, and their brand behaviors, organizations can assure delivery of brand promises on a daily basis. Recognizing internal branding as an important part of brand building allows organizations to develop and maintain a strong brand and consequently gain long-term competitive advantage.

Limitations and future research recommendations

Despite the important contributions, our studies are not exempt from limitations. Our second sample, which included car salespeople, was rather small; therefore, we propose to collect a larger sample at both organizational levels, which would probably lead to even stronger relationships between constructs. Moreover, sales people could be nested within brands, which would enable researchers to compare internal branding practices between brands. Although our study was conducted in the automotive industry, which is among the leading industries in branding, and the sample included diverse brands and numerous dealers, it is set within the context of a single country and a single industry. Thus, there is a need for further investigation in other countries, companies, and industries to provide more support for our findings.

Our study on brand-oriented leadership was somewhat adversarial to previous research in internal brand management because it supports the indirect effect of brand-oriented leadership of top managers on employees' brand commitment, while past studies proposed the direct effect. Therefore, we recommend comparing the effect of direct supervisors that work daily with customer-contact employees versus the effect of top management that typically influences employees indirectly. We postulate that differences derive from the regularity of leader-employee personal contact and structural distances (Avolio et al., 2004).

By conceptually and empirically advancing brand-oriented HR practices, we offer a number of future research opportunities in internal brand management. Further research could incorporate other, non-cognitive employee-level outcomes that can also develop as a result of HR practices and drive employee brand behaviors, for example, brand-affective commitment, brand identification, and internalization of brand values.

Although our study offered new insights regarding the complexity and structure of employee brand knowledge, it is the first attempt toward redefining the construct; therefore, new studies should be applied to revalidate our scale. Moreover, we only found a significant relationship between objectively assessed brand knowledge and brand behavior when the behavior was evaluated by employee's supervisor and not as a self-perception. Therefore, we propose for future research to include others as referents (for example, supervisors or co-workers) for measuring employees' role clarity and their brand behaviors. Comparing subjective and objective role clarity and exploring their effects on brand behaviors would bring new insights to the knowledge literature in internal branding. Also, we propose to examine the effect of objective brand awareness on employee brand behaviors that were evaluated by others and not by employees. Also, additional research on brand knowledge can explore the impact of internal branding activities at the brand/organizational level on employee brand awareness, brand image, and the brand's role clarity at the individual level. Different activities (for example, internal brand communication, brand-oriented HR practices, or brand-oriented leadership) may have differential effects on the components of employee brand knowledge. Internal brand communication may be an important predictor of brand awareness, while brand-oriented leadership may be a better predictor of brand image.

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APPENDICES

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Appendix A: Summary of construct measures

Construct/variable	Measure	Respondent	Referent	Level
Brand-oriented HR practices	Chang et al. (2012), Lepak & Snell (2002)	Supervisor	Dealer	Dealer level
Employee brand knowledge	Flynn & Goldsmith (1999)	Employees	Employees	Individual level
In-role brand behavior	Löhndorf & Diamantopoulos (2014), Morhart et al. (2009), Xiong et al. (2013)	Employees	Employees	Individual level
Participation in brand development	Löhndorf & Diamantopoulos (2014), Morhart et al. (2009)	Employees	Employees	Individual level
Customer-oriented behavior	Bettencourt & Brown (1997)	Supervisor	Employees	Individual level
Sales performance	/	Supervisor	Employees	Individual level

Appendix B: Measurement items of constructs at the dealer level

Constructs

Supervisor survey

Brand-oriented HR practices

Recruitment

The recruitment/selection process for these employees ...

1. ... emphasizes promotion from within that is based on employee-brand fit.
2. ... focuses on selecting the candidate with person-brand fit, regardless of the specific job.
3. ... focuses on their ability to contribute to our brand objectives.
4. ... places priority on their potential to learn about the brand.

Training

Brand-oriented training activities for these employees ...

1. ... are comprehensive.
2. ... are continuous.
3. ... require extensive investments of time/money.
4. ... strive to develop brand-specific skills/knowledge.
5. ... are oriented toward understanding the values and story of the brand.
6. ... strive to harmonize employee personal values and behaviors with brand values.

Performance appraisal

Performance appraisals for these employees ...

1. ... are based on input from multiple sources (peers, subordinates, etc.)
2. ... emphasize employee learning about the brand.
3. ... focuses on their contribution to our brand objectives.
4. ... include developmental feedback regarding the brand.

Appendix C: Measurement items of constructs at the employee level and standardized item loadings

Constructs	Std. loadings
<i>Employee survey</i>	
Employee brand knowledge - general^a	
1. In my opinion, I have a lot of knowledge about the brand.	0.81
2. I know pretty much about the brand.	0.92
3. I feel very knowledgeable about the brand.	0.88
In-role brand behavior^a	
1. In customer-contact situations, I see that my actions are in line with the brand.	0.83
2. In customer-contact situations, I pay attention that my personal appearance is in line with brand's appearance.	0.82
3. I demonstrate behaviors that are consistent with the brand.	0.67
4. I adhere to the standards for brand-congruent behavior.	0.88
Participation in brand development^a	
1. If I have a useful idea on how to improve brand's performance, I share it with my supervisor, even when I am not rewarded for doing so.	0.83
2. I would voluntarily accept extra work if that has a positive effect on brand image (<i>eliminated</i>).	/
3. I participate in building the brand, even when I am not rewarded for doing so.	0.75
4. I make constructive suggestions on how to improve customers' brand experience.	0.74
<i>Supervisor survey</i>	
Customer-oriented extra-role behavior^a	
This frontline employee ...	
1. ... often goes above and beyond the call of duty when serving customers.	0.76
2. ... often willingly goes out of his/her way to make a customer satisfied.	0.85
3. ... voluntarily assists customers even if it means going beyond job requirements.	0.90
4. ... often helps customers with problems beyond what is expected or required.	0.88

^aAll loadings are significant at $p < 0.001$.

Appendix D: Measurement items of employee brand knowledge constructs and standardized item loadings

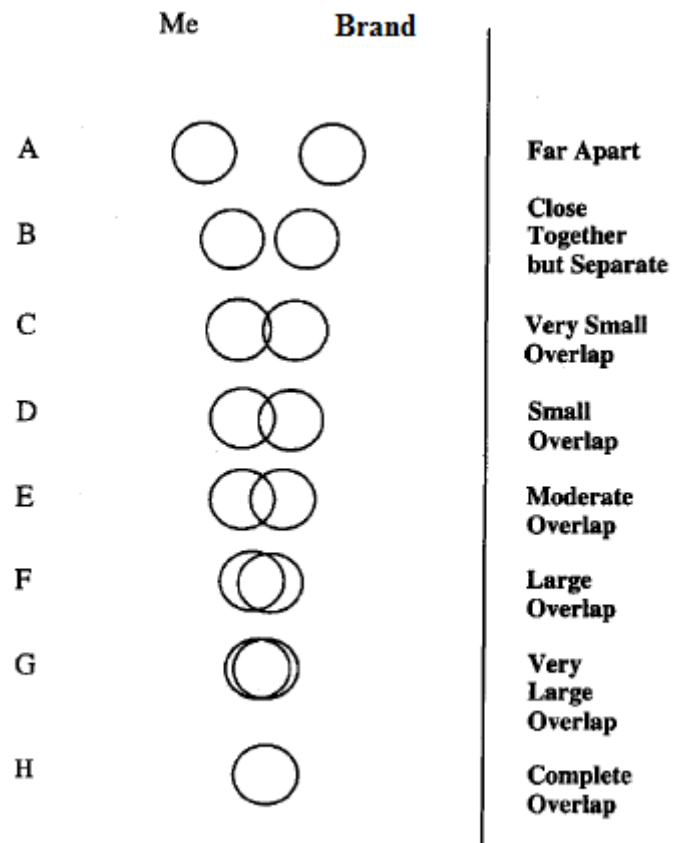
Constructs	Std. loadings
Employee brand awareness - subjective^a	
1. Some characteristics of the brand come to my mind quickly.	0.72
2. I have no difficulty imagining the brand in my mind.	0.69
3. I know what this brand stands for.	0.75
4. It is clear to me what is promised to our customers by the brand.	0.88
Employee brand image^a	
<i>Brand value^b</i>	0.82
1. The brand provides good value for money.	
2. There are good reasons to buy this brand over competitors.	
3. I consider the brand a good buy.	
<i>Brand personality^b</i>	0.77
4. The brand has a strong personality.	
5. I have a clear image of the type of people who buy this brand.	
6. The brand is interesting.	
<i>Brand differentiation^b</i>	0.70
7. For me the brand is different from competing brands.	
8. For me the brand is better than competing brands.	
<i>Associations of brand identity^b</i>	0.87
9. The brand offers the vision that I can believe in.	
10. I believe that this car brand is the best in its segment or price range.	
11. The brand stands for the values that I can believe in.	
Brand's role clarity^a	
In my daily work I know . . .	
1. . . how to live our brand.	0.84
2. . . how to act brand consistent.	0.93
3. . . how to deliver our brand promise.	0.70
4. . . how my behavior impacts this brand.	0.87
Overall employee brand knowledge^a	
1. In my opinion, I have a lot of knowledge about the brand.	0.81
2. I know pretty much about the brand.	0.92
3. I feel very knowledgeable about the brand.	0.89

^aAll loadings are significant at $p < 0.001$.

^bItem parcels.

Appendix E: Visual item measuring brand identification

Imagine that one of the circles at the left in each row represents your own identity and the other circle at the right represents brand's identity. Please indicate which case (A, B, C, D, E, F, G, or H) best describes the level of overlap between your own and brand's identities.



Appendix F: Vocabulary of Slovenian translations

Angleški izraz	Slovenski prevod in uporabljena kratica
Brand class	Razred blagovne znamke
Brand-oriented HR practices	V blagovno znamko usmerjene prakse MČV (kratica prakse MČV)
Brand-oriented leadership of top management	V blagovno znamko usmerjeno vodenje vrhnjega menedžmenta (kratica Vodenje)
Brand promise delivery	Uresničitev obljube blagovne znamke
Customer-oriented extra-role behavior	Nadpričakovano vedenje zaposlenih, ki je usmerjeno v kupca (kratica Nadpričakovano vedenje zaposlenih)
Employee brand knowledge	Znanje zaposlenih o blagovni znamki (kratica Znanje zaposlenih)
Employee brand attitudes	Odnos zaposlenih do blagovne znamke (kratica Odnos zaposlenih)
Employee brand behaviors	Vedenja zaposlenih, ki podpirajo blagovno znamko (kratica Vedenja zaposlenih)
Employee brand's role clarity	Jasnost vloge zaposlenega pri uresničevanju blagovne znamke (kratica Jasnost vloge)
Employee word-of-mouth	Priporočila zaposlenih glede blagovne znamke
In-role brand behavior	Pričakovano vedenje zaposlenih, ki je skladno z blagovno znamko (kratica Pričakovano vedenje zaposlenih)
Multilevel research/analysis	Večnivojska raziskava/analiza
Participation in brand development	Sodelovanje zaposlenih pri razvoju blagovne znamke

Appendix G: A detailed summary in Slovenian language/Daljši povzetek disertacije v slovenskem jeziku

Uvod

V zadnjih letih se literatura na področju menedžmenta blagovnih znamk ne osredotoča samo na porabnike, temveč tudi na zaposlene, ki pomembno prispevajo k uspehu blagovne znamke. Nov model poudarja ustvarjanje vrednosti blagovne znamke prek vključenosti zaposlenih v njeno gradnjo (de Chernatony, 1999). Eden izmed glavnih dejavnikov uspeha na področju menedžmenta blagovnih znamk je notranji branding, proces, ki omogoči uresničitev obljube blagovne znamke (angl. *brand promise delivery*) ter vpliva na uskladitev vedenj in odnos zaposlenih z blagovno znamko. Posledično lahko podjetja dosežejo konsistentno podobo blagovne znamke in višje zadovoljstvo porabnikov (Punjaisri et al., 2009b; Vallaster & de Chernatony, 2006). Prav zato notranji branding pridobiva večjo pozornost tako med raziskovalci kot med menedžerji (Baker et al., 2014; Bergstrom et al., 2002; de Chernatony & Cottam, 2006; Miles & Mangold, 2005; Morhart et al., 2009; Punjaisri & Wilson, 2007; Sartain, 2006).

Da bi bolje razumeli notranji branding, ga najprej obravnavamo v širšem trženjskem kontekstu. Vrsto let so bile ključne trženjske aktivnosti usmerjene predvsem v porabnike, a so se zgodili pomembni premiki v trženjskem razmišljanju. Notranje trženjske aktivnosti so začele dopolnjevati zunanje aktivnosti in postale pogoj za uspešno zunanje trženje (Barnes et al., 2004). Eden izmed prvih avtorjev, ki je prepoznal zaposlene kot notranje porabnike, je bil Berry (1981). Poudaril je, da imajo podjetja, ki uspešno zadovoljijo potrebe zaposlenih, prednost pri zadovoljitvi potreb porabnikov (Ballantyne, 2000; Barnes et al., 2004; Lings, 2004; Papasolomou & Vrontis, 2006). Medtem ko notranje trženje zajema splošne trženjske aktivnosti, usmerjene v zaposlene, da ti postanejo osredotočeni na porabnike, se notranji branding osredotoča na trženje blagovne znamke znotraj podjetja in na izobraževanje zaposlenih o identiteti blagovne znamke (Aurand et al., 2005; Papasolomou & Vrontis, 2006; Vallaster & de Chernatony, 2006). Poleg usklajevanja vedenj zaposlenih s standardi blagovne znamke je notranji branding osredotočen tudi na transformiranje zaposlenih v ambasadorje blagovne znamke (Ind, 2007; Morhart et al., 2009).

Punjaisri in Wilson (2011) opredelita notranji branding kot aktivnosti, ki jih izvaja podjetje, da omogoči zaposlenim uresničitev obljub blagovne znamke. Ker gre za relativno nov pojem v trženjski literaturi, je na voljo premalo ugotovitev, katere strategije in aktivnosti naj bi podjetja izvedla za implementacijo notranjega brandinga. Prav tako morajo raziskovalci pridobiti nove ugotovitve o kognitivnih, odnosnih in vedenjskih posledicah notranjega brandinga na nivoju zaposlenih. Čeprav veliko raziskovalcev in menedžerjev (Burmam & Zeplin, 2005; de Chernatony, 2010; Miles & Mangold, 2005; Sartain, 2006) prepozna zaposlene kot soustvarjalce močnih blagovnih znamk, še vedno obstaja premalo dognanj o tem, kako prakse notranjega brandinga, ki se razvijajo na organizacijskem nivoju, prispevajo

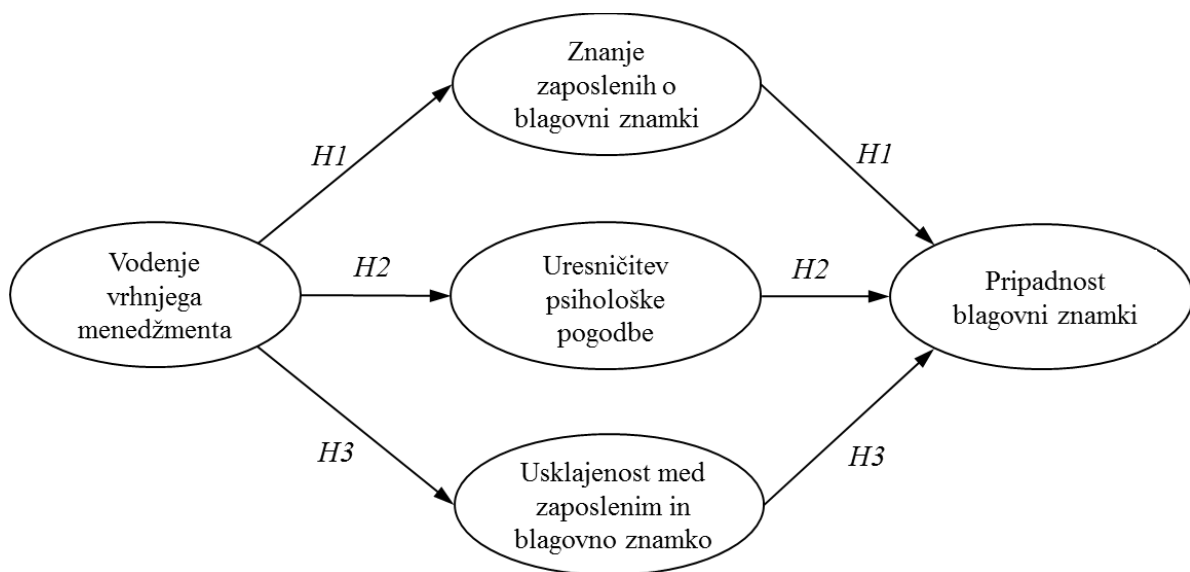
k razvoju znanja zaposlenih o blagovni znamki (angl. *employee brand knowledge*), odnosov zaposlenih do blagovne znamke (angl. *employee brand attitudes*) in vedenj zaposlenih, ki podpirajo blagovno znamko (angl. *employee brand behaviors*), na individualni ravni. Glavni namen doktorske naloge je torej raziskati proces notranjega brandinga kot pomemben dejavnik uspeha blagovne znamke.

Proces notranjega brandinga: proučitev vloge mediatorjev v razmerju med vodenjem vrhnjega menedžmenta in pripadnostjo

Namen raziskave je proučiti glavne dejavnike, ki vplivajo na pripadnost zaposlenih blagovni znamki. Pripadnost izboljša vedenja zaposlenih in vodi v oblikovanje konsistentne podobe med porabniki (Burmam & Zeplin, 2005; Kim & Brymer, 2011; Punjaisri et al., 2009b; Xiong et al., 2013). V blagovno znamko usmerjeno vodenje vrhnjega menedžmenta (angl. *brand-oriented leadership of top management*) proučimo kot pomemben dejavnik, ki spodbudi proces notranjega brandinga in vpliva na pripadnost zaposlenih blagovni znamki.

Čeprav pretekle raziskave poudarjajo neposreden vpliv vodenja na pripadnost (Burmam et al., 2009), predpostavimo, da ima vrhni menedžment posreden vpliv, saj je njegova vloga pri implementaciji notranjega brandinga drugačna od vloge vodij na nižjih nivojih (Burmam & Zeplin, 2005; Hart & Quinn, 1993; Katz & Kahn, 1978; Vallaster & de Chernatony, 2006). Vrhni menedžment je namreč odgovoren za razvoj strategije blagovne znamke in njeno uresničitev. Zaposleni pa lahko razvijejo pristne odnose z blagovno znamko le, če zaznavajo, da je vedenje vrhnjega menedžmenta pristno in skladno z blagovno znamko (Kara et al., 2013).

Slika 1: Konceptualni model, ki povezuje v blagovno znamko usmerjeno vodenje vrhnjega menedžmenta s pripadnostjo zaposlenih blagovni znamki



Ker ima vrhnji menedžment relativno malo neposrednih stikov z zaposlenimi na nižjih nivojih, predpostavimo, da njegovo vodenje posredno vpliva na zaposlene prek različnih procesov oziroma mediatorjev. Na podlagi proučitve obstoječe literature predlagamo znanje zaposlenih o blagovni znamki, ujemanje njihovih vrednot z vrednotami blagovne znamke in uresničitev psihološke pogodbe kot pomembne dejavnike med vodenjem vrhnjega menedžmenta in pripadnostjo zaposlenih blagovni znamki (Miles & Mangold, 2005).

Postavljene hipoteze smo preverili s pomočjo podatkov, zbranih pri 226 zaposlenih, ki delajo v mednarodni hotelski verigi. Rezultati raziskave so pokazali, da so znanje zaposlenih o blagovni znamki, ujemanje med zaposlenim in blagovno znamko ter uresničitev psihološke pogodbe posredniki med vodenjem vrhnjega menedžmenta in pripadnostjo zaposlenih blagovni znamki. Rezultati potrjujejo našo predpostavko, da je vodenje vrhnjega menedžmenta pomembna aktivnost notranjega brandinga in da ima pomembno vlogo pri doseganju čustvene navezanosti zaposlenih na blagovno znamko. Zaposleni bodo sprejeli blagovno znamko in ustrezno prilagodili odnose, ko bodo zaznali, da vrhnji menedžment resnično verjame v vrednote blagovne znamke in se tudi vede v skladu z njimi (Lee et al., 2013). Za povečanje pripadnosti zaposlenih mora vrhnji menedžment spodbuditi zaposlene k pridobivanju znanja o blagovni znamki, poistovetenju z vrednotami blagovne znamke in zaznavi, da je njihova psihološka pogodba uresničena.

V blagovno znamko usmerjene prakse menedžmenta človeških virov in vedenja zaposlenih v storitvenih dejavnostih: večnivojski neposredni in mediacijski vplivi

V drugem članku oblikujemo in preverimo model, ki povezuje posamezne prakse MČV, usmerjene v blagovno znamko (angl. *brand-oriented HR practices*), z znanjem zaposlenih in njihovimi vedenji. Ker je konceptualizacija v blagovno znamko usmerjenega menedžmenta človeških virov pomanjkljiva, najprej opredelimo ta koncept in posamezne prakse MČV. V blagovno znamko usmerjen menedžment človeških virov opredelimo kot sklop praks MČV, ki oblikujejo želena znanja, odnose do blagovne znamke in vedenja zaposlenih na način, da vzpostavijo psihološko povezavo zaposlenih z blagovno znamko. Prakse MČV so: zaposlovanje na podlagi ujemanja kandidatovih vrednot z vrednotami blagovne znamke, izobraževanje zaposlenih o blagovni znamki in ocenjevanje uspešnosti, ki temelji na ocenjevanju, v kolikšni meri zaposleni prispeva k ciljem blagovne znamke. Na podlagi socialno-kognitivne teorije predpostavimo, da zaposlovanje, izobraževanje in ocenjevanje uspešnosti posredno vplivajo na vedenja zaposlenih prek njihovega znanja o blagovni znamki. Zaposlovanje in ocenjevanje uspešnosti prav tako neposredno vplivata na vedenja zaposlenih, kar podpremo s teorijo socialne izmenjave (angl. *social exchange theory*). Pri konceptualnem razvoju modela in empirični preverbi upoštevamo večnivojsko strukturo procesa notranjega brandinga, in sicer prakse MČV opredelimo in merimo na nivoju organizacije (to so prodajni saloni, vir podatkov so vodje), znanje in vedenja zaposlenih pa opredelimo in merimo na nivoju zaposlenih (to so prodajalci).

Da bi lahko empirično proučili razmerje med praksami MČV, znanjem zaposlenih in njihovimi vedenji, razvijemo mersko lestvico za merjenje praks MČV, ki so usmerjene v blagovno znamko. Pri razvoju uporabimo uveljavljeno mersko lestvico Lepaka in Snella (2002), ki meri splošne prakse MČV, ki temeljijo na gradnji pripadnosti zaposlenih. Njuno mersko lestvico prilagodimo za področje blagovnih znamk ter jo najprej testiramo med 10 trženjskimi in kadrovskega menedžerji. S pridobitvijo kvalitativnih podatkov lestvico nadalje smiselno preoblikujemo in jo potrdimo še med menedžerji in zaposlenimi v avtomobilski industriji. Za empirično preverbo smo nato izvedli kvantitativno raziskavo in zbrali podatke na več organizacijskih ravneh in od različnih respondentov. V raziskavi je sodelovalo 117 zaposlenih in 35 vodij, ki so zaposleni v prodajnih salonih avtomobilov.

Iz rezultatov raziskave je razvidno, da ima znanje o blagovni znamki mediacijsko vlogo med izobraževanjem in pričakovanim vedenjem, ki je skladno z blagovno znamko (angl. *in-role brand behavior*), ter izobraževanjem in sodelovanjem zaposlenih pri razvoju blagovne znamke (angl. *participation in brand development*). Ker so izobraževanja o blagovni znamki usmerjena predvsem v izpostavitve pomembnosti blagovne znamke za uspeh podjetja, komuniciranje edinstvenih vrednot blagovne znamke in razvijanje spretnosti, ki zaposlenim omogočijo postati uspešni predstavniki blagovne znamke (Conduit & Mavondo, 2001; Hinkin & Tracey, 2010), imajo izobraževanja pomembno vlogo pri razvoju znanja o blagovni znamki, ki posledično vpliva na vedenja zaposlenih. Poleg tega zaposlovanje neposredno in pozitivno vpliva na pričakovano vedenje zaposlenih. Ocenjevanje uspešnosti pa neposredno in pozitivno vpliva na nadpričakovano vedenje zaposlenih, ki je usmerjeno v kupca (angl. *customer-oriented extra-role behavior*). Ker temelji ocenjevanje uspešnosti zaposlenega na njegovem prispevanju k ciljem blagovne znamke in mnenju kupcev, so zaposleni motivirani izvajati boljše storitve za kupce. V blagovno znamko usmerjene prakse MČV kot način uresničevanja notranjega brandinga imajo različne vloge pri razvoju znanja in vedenj zaposlenih. Z raziskavo prispevamo k področju notranjega brandinga tako, da apliciramo splošne prakse MČV na področje blagovnih znamk ter proučimo vpliv teh praks na znanja in vedenja zaposlenih z upoštevanjem večnivojske strukture.

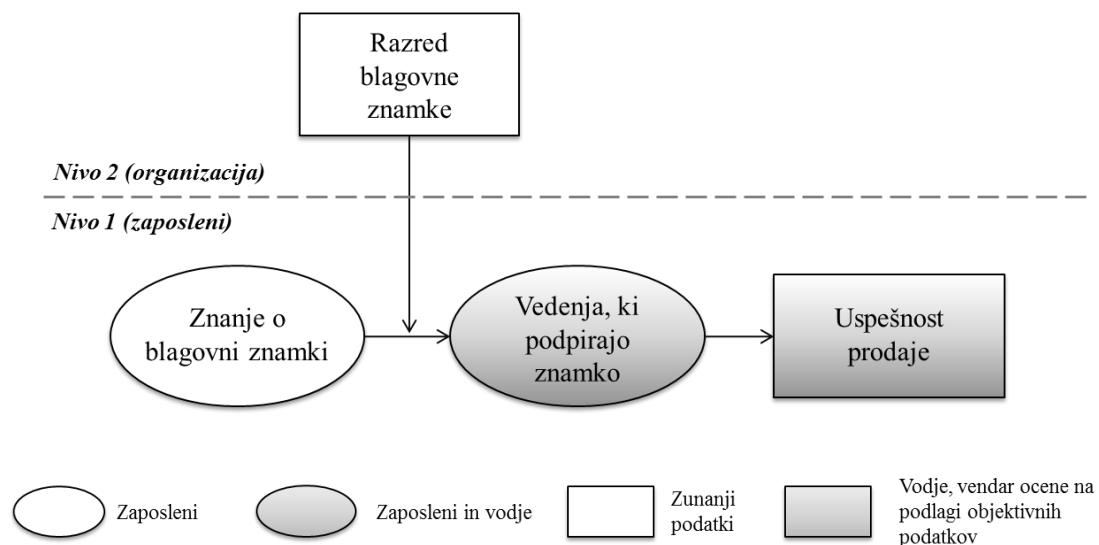
Od znanja zaposlenih o blagovni znamki do prodajne uspešnosti: večnivojska raziskava procesa notranjega brandinga v avtomobilski industriji

Čeprav lahko konkurenti določene značilnosti blagovne znamke posnemajo, pa se blagovne znamke pomembno razlikujejo po tem, kako se zaposleni vedejo do kupcev (Parment, 2008). Podjetja lahko gradijo drugačnost blagovne znamke tako, da zagotovijo ustrezna znanja zaposlenih o blagovni znamki in vedenja, ki omogočijo konsistentno uresničitev blagovne znamke. Čeprav je glavni cilj procesa notranjega brandinga uskladitev vedenj zaposlenih z blagovno znamko (Baker et al., 2014; Punjaisri et al., 2009b), je končni cilj podjetja doseči večjo prodajo izdelkov. Pretekle raziskave so sicer izpostavile, da je pomembno meriti vpliv notranjega brandinga in vedenja zaposlenih na uspešnost prodaje, a do sedaj ta povezava še ni bila preverjena. Naša raziskava prispeva k razumevanju procesa notranjega brandinga na

ravni zaposlenih in njegovemu vplivu na prodajne rezultate. Na podlagi socialno-kognitivne teorije razvijemo konceptualni model, ki predpostavlja, da ima znanje zaposlenih vpliv na njihovo prodajno uspešnost prek različnih vedenjskih mediatorjev. Kot mediatorje vključimo pričakovano vedenje zaposlenih, sodelovanje zaposlenih pri razvoju blagovne znamke in nadpričakovano vedenje, usmerjeno v kupca.

Mediacijski model procesa notranjega brandinga na nivoju zaposlenih nadgradimo s proučevanjem vpliva razreda blagovne znamke (angl. *brand class*) na razmerje med znanjem zaposlenih in njihovimi vedenji. Pri konceptualizaciji in analizi moderacijskega vpliva upoštevamo večnivojsko strukturo, in sicer merimo razred blagovne znamke na nivoju organizacije (prodajni saloni) in vpliv znanja na vedenja na nivoju zaposlenih. Na podlagi pregleda literature predpostavimo, da je vpliv znanja zaposlenih na njihovo vedenje močnejši pri blagovnih znamkah višjega razreda kot pri blagovnih znamkah nižjega razreda. Zaposleni, ki prodajajo blagovne znamke višjega razreda, so izpostavljeni močnejši kulturi, jasnejši opredelitvi identitete blagovne znamke in konsistentnejšim trženjskim aktivnostim (Keller, 2009; Parment, 2008).

Slika 2: Konceptualni model vpliva znanja o blagovni znamki na uspešnost prodaje zaposlenih in moderacijski vpliv razreda blagovne znamke



Postavljene hipoteze smo preverili s pomočjo podatkov, zbranih pri 117 prodajalcih in 35 vodjah, ki so zaposleni v prodajnih salonih avtomobilov. V raziskavo smo zajeli najpomembnejše avtomobilске blagovne znamke na slovenskem trgu, in sicer Audi, BMW, Dacia, Mercedes-Benz, Opel, Peugeot, Renault, Škoda, Toyota in Volkswagen, ter jih na podlagi različnih kriterijev razvrstili v tri razrede. V raziskavi ugotovimo, da znanje zaposlenih posredno in pozitivno vpliva na njihovo uspešnost prodaje, s tem da pričakovano in nadpričakovano vedenje zaposlenih delujeta kot mediatorja. Ti dve vrsti vedenj predstavljata povezavo med notranjim (blagovna znamka, delovne obveznosti) in zunanjim

okoljem (porabniki) podjetja. Ugotovimo tudi, da sodelovanje zaposlenih pri razvoju blagovne znamke, ki je notranje usmerjeno vedenje, ne predstavlja mediatorja med znanjem in prodajno uspešnostjo. Z znanjem o blagovni znamki pridobijo zaposleni jasno vizijo, kaj blagovna znamka predstavlja in kako jo uresničiti, kar pa vpliva na njihova nadpričakovana vedenja do kupcev. Boljše storitve za kupce nato vodijo v večjo prodajno uspešnost zaposlenih oziroma podjetja.

Rezultati moderacijske analize delno podpirajo postavljeno hipotezo. Vpliv znanja na pričakovano vedenje se ne razlikuje med blagovnimi znamkami, torej razred blagovne znamke ne vpliva na razmerje znanje – pričakovano vedenje. Rezultati pa kažejo na statistično značilne razlike pri ostalih vedenjih. Pri blagovnih znamkah višjega razreda je vpliv znanja zaposlenih na njihovo sodelovanje pri razvoju blagovne znamke in na nadpričakovano vedenje, usmerjeno v kupca, močnejši kot pri blagovnih znamkah nižjih razredov. Poleg tega ugotovimo, da je pri blagovnih znamkah nižjega razreda vpliv znanja zaposlenih na njihovo nadpričakovano vedenje negativen. Obstoječo literaturo smo nadgradili s tem, da smo pokazali, da notranji branding vpliva na boljše prodajne rezultate prodajalcev. Naša raziskava je hkrati prva z empirično preverbo te povezave. Poleg tega predstavimo tudi empirične rezultate, ki kažejo, da so luksuzne blagovne znamke uspešnejše pri gradnji blagovne znamke med zaposlenimi.

Znanje zaposlenih o blagovni znamki: konceptualne in merske izboljšave

Za uspešno transformacijo v ambasadorje blagovne znamke morajo zaposleni pridobiti ustrezno znanje o identiteti blagovne znamke in želeni podobi blagovne znamke med porabniki (Miles & Mangold, 2005). Prav tako potrebujejo znanje o želenih vedenjih, ki omogočijo uresničitev obljub blagovne znamke (Piehler et al., 2016; Xiong et al., 2013). V raziskavi poglobljeno proučimo kompleksnost znanja zaposlenih o blagovni znamki. Gre za koncept, ki ima zelo pomembno vlogo v notranjem branding, saj vpliva tako na pripadnost zaposlenih blagovni znamki kot na njihova vedenja. Kljub temu je konstrukt s strani raziskovalcev prejel premalo pozornosti, saj obstoječe raziskave še niso proučile dimenzij in tipov znanja zaposlenih o blagovni znamki ter njihovih vplivov na vedenja zaposlenih, niti niso ponudile ustrezne konceptualizacije koncepta. Poleg opredelitve pojma poglobljeno raziščemo tudi njegovo strukturo in vrste znanj.

Na podlagi Kellerjevega (1993) modela znanja porabnikov o blagovni znamki opredelimo tri elemente, ki sestavljajo znanje zaposlenih o blagovni znamki. To so zavedanje blagovne znamke (objektivno in subjektivno), podoba blagovne znamke (subjektivna) in jasnost vloge zaposlenega pri uresničevanju blagovne znamke (angl. *employee brand's role clarity*) oziroma znanje zaposlenega o želenem vedenju, ki podpira blagovno znamko (subjektivno). Znanje zaposlenih o blagovni znamki opredelimo kot kognitivno predstavitev blagovne znamke v mislih zaposlenih. Zavedanje blagovne znamke opredelimo kot poznavanje identitete blagovne znamke s strani zaposlenih. Podobo blagovne znamke opredelimo kot

percepcije zaposlenih, ki jih imajo o blagovni znamki. Jasnost vloge pa opredelimo kot znanje, ki ga imajo zaposleni o želenem vedenju. Prav tako proučimo razmerje med objektivnim in subjektivnim znanjem zaposlenih. Objektivno znanje je dejansko znanje, ki ga ima zaposleni o blagovni znamki, medtem ko je subjektivno znanje samoocenitev znanja s strani zaposlenega. Poleg opredelitve znanja zaposlenih in njegovih elementov proučimo odnos med elementi znanja in njihov vpliv na ostale posledice notranjega brandinga na nivoju zaposlenih, in sicer njihov vpliv na različna vedenja zaposlenih, identifikacijo zaposlenih z blagovno znamko in prodajno uspešnost zaposlenih.

Slika 3: Opredelitev elementov znanja zaposlenih o blagovni znamki



Podatke za raziskavo smo pridobili v avtomobilskih prodajnih salonih in izvedli analizo na ravni zaposlenih. Prodajalci novih avtomobilov so posredovali informacije o njihovem znanju blagovne znamke, vedenjih in identifikaciji z blagovno znamko, medtem ko so njihovi vodje poročali o nadpričakovanem vedenju zaposlenih in uspešnosti prodaje zaposlenih. Za merjenje posameznih elementov znanja smo prilagodili obstoječe merske lestvice s področja porabniških raziskav. Objektivno znanje zaposlenih o identiteti blagovne znamke (element zavedanje) pa smo merili v obliki testa. Zaposleni so morali navesti barve, slogan, logotip, vrednote, vizijo, osebnost, razlikovalne prednosti in obljube blagovne znamke. Dva neodvisna ocenjevalca sta nato ocenila znanje posameznega zaposlenega.

Na podlagi rezultatov smo ugotovili, da obstajajo predpostavljene elementi znanja o blagovni znamki ter tudi razlike med objektivnim in subjektivnim znanjem. Pri analizi odnosa med elementi smo ugotovili, da zavedanje identitete blagovne znamke vodi v boljšo podobo blagovne znamke, ki posledično vodi v večjo jasnost vloge, ki jo ima zaposleni o želenih vedenjih. Prav tako se razlikujejo vplivi elementov na vedenja, identifikacijo in uspešnost prodaje. Jasnost vloge zaposlenih vodi v pričakovano vedenje, priporočila zaposlenih glede blagovne znamke (angl. *employee word-of-mouth*) ter nadpričakovano vedenje in višjo uspešnost prodaje. Podoba, ki jo ima zaposleni o blagovni znamki, vodi v pričakovano vedenje, sodelovanje pri razvoju blagovne znamke, priporočitev blagovne znamke in

identifikacijo z blagovno znamko. Objektivno merjeno zavedanje blagovne znamke pa vodi v povečanje nadpričakovanega vedenja zaposlenih.

Empirična analiza pokaže, da je jasnost vloge zaposlenega najpomembnejši dejavnik za razvoj vedenj zaposlenih, saj vpliva na vsa vedenja, razen na sodelovanje pri razvoju blagovne znamke. Je tudi edini element znanja, ki neposredno vpliva na uspešnost prodaje zaposlenih. Zavedanje blagovne znamke in podoba o blagovni znamki sta različna konstrukta v primeru, ko merimo zavedanje objektivno (kot ocenitev zunanjih ocenjevalcev znanja zaposlenih) in podobo subjektivno (kot percepcijo zaposlenih). Poleg tega primerjamo objektivno in subjektivno zavedanje o blagovni znamki in ugotovimo, da sta šibko povezana. To pomeni, da subjektivnega merjenja znanja (kot percepcije zaposlenih) ne moremo uporabljati kot mero za ocenitev dejanskega (objektivnega) znanja zaposlenih.

Skupna diskusija prispevkov doktorske naloge

Doktorska naloga prispeva nove ugotovitve glede implementacije notranjega brandinga in njegovega vpliva na zaposlene. Pretekle raziskave so posvetile premalo pozornosti proučevanju implementacije notranjega brandinga in mehanizmom, ki pripomorejo k boljšemu razumevanju vpliva notranjega brandinga na zaposlene (Löhdorf & Diamantopoulos, 2014; Xiong et al., 2013; Xiong & King, 2015). Kot pristope za uresničitev notranjega brandinga smo podrobno raziskali vodenje vrhnjega menedžmenta in prakse MČV, ki so usmerjeni v blagovno znamko.

Zaposleni bodo sprejeli blagovno znamko in ustrezno prilagodili odnose, ko bodo zaznali, da vrhnji menedžment resnično verjame v vrednote blagovne znamke in se tudi vede v skladu z njimi (Lee et al., 2013). Za doseg uspešne implementacije notranjega brandinga morajo proces začeti menedžerji na najvišjem nivoju, in sicer tako, da verjamejo v pomembnost močne blagovne znamke in v njeno identiteto (Burmam & Zeplin, 2005). Prav tako so odgovorni za ustvarjanje kulture in deljenje vizije blagovne znamke ter za prenos vrednot blagovne znamke na zaposlene (Lee et al., 2013). Čeprav so pretekle raziskave poudarjale neposreden vpliv vodenja na pripadnost zaposlenih blagovni znamki (Burmam & Zeplin, 2005; Burman et al., 2009; Vallaster & de Chernatony, 2005, 2006; Wallace et al., 2011, 2013), rezultati naše raziskave kažejo, da ima vodenje vrhnjega menedžmenta posreden vpliv na pripadnost, in sicer prek mediatorjev, ki so znanje zaposlenih, uresničitev psihološke pogodbe in ujemanje zaposlenega z blagovno znamko.

Čeprav so nekateri raziskovalci in strokovnjaki za menedžment blagovnih znamk izpostavili pomembnost kadrovskega aktivnosti za uspešen notranji branding (Aurand et al., 2005; Burmann et al., 2009; Miles & Mangold, 2005), je teorija na tem področju še vedno pomanjkljiva. Naša raziskava prispeva k razvoju teorije z opredelitvijo v blagovno znamko usmerjenega menedžmenta človeških virov in jasne opredelitve posameznih praks MČV. Na področju notranjega brandinga prepoznamo zaposlovanje, izobraževanje in ocenjevanje

uspešnosti kot prakse MČV, ki temeljijo na blagovni znamki. Poleg teoretičnega prispevka razvijemo tudi mersko skalo za merjenje posamezne prakse, ki temelji na merski skali Lepaka in Snella (2002). V raziskavi ugotovimo, da izobraževanje o blagovni znamki pomembno vpliva na znanje zaposlenih o blagovni znamki, ki pa posledično vpliva na vedenje zaposlenih. Povečata se pričakovano vedenje in sodelovanje zaposlenih pri razvoju blagovne znamke. Podjetje z izobraževanjem poudarja pomembnost blagovne znamke za uspeh podjetja, predaja zaposlenim znanje o edinstvenih in drugačnih vrednotah blagovne znamke ter razvija njihove spretnosti, ki jim omogočijo postati uspešni predstavniki blagovne znamke (Conduit & Mavondo, 2001; Hinkin & Tracey, 2010). Zaposlovanje na podlagi podobnosti vrednot kandidata z vrednotami blagovne znamke vodi v razvoj pričakovanega vedenja zaposlenih. Poleg tega ugotovimo, da ocenjevanje uspešnosti, ki temelji na blagovni znamki, vodi v razvoj nadpričakovanega vedenja zaposlenih.

Pomemben teoretični prispevek je tudi obravnavanje notranjega brandinga kot procesa, ki se odvija na različnih ravneh podjetja. V prvem članku merimo vodenje vrhnjega menedžmenta kot percepcijo zaposlenih, medtem ko v drugem članku merimo kadrovske aktivnosti, ki jih podjetja dejansko izvajajo. Z upoštevanjem, da se notranji branding izvaja večnivojsko, omogočimo boljše razumevanje takšnega procesa (Klein & Kozlowski, 2000). Čeprav se večnivojske raziskave redko uporabljajo v trženju, prinašajo pomembne nove vidike za razumevanje trženja in notranjega brandinga (Wieseke et al., 2008). Prav tako lahko neupoštevanje večnivojske strukture podatkov vodi v napačne ocenitve in rezultate analize (Hox et al., 2010).

Pomemben prispevek za stroko predstavlja ugotovitev, da notranji branding vpliva na boljše prodajne rezultate prodajalcev. Naša raziskava je prva z empirično preverbo te povezave. Prav tako ugotovimo, da so vedenja zaposlenih pomembni mediatorji med znanjem zaposlenih in uspešnostjo prodaje. To sta predvsem pričakovano in nadpričakovano vedenje zaposlenih. Ti dve vrsti vedenj predstavlja »most« med notranjim (blagovna znamka, delovne obveznosti) in zunanjim okoljem (porabniki) podjetja, medtem ko sodelovanje zaposlenih pri razvoju blagovne znamke, ki je notranje usmerjeno, ne predstavlja mediatorja med znanjem in prodajno uspešnostjo. Z znanjem o blagovni znamki pridobijo zaposleni jasno vizijo, kaj blagovna znamka predstavlja in kako jo uresničiti, kar vpliva na njihova nadpričakovana vedenja do kupcev. Boljše storitve za kupce pa vodijo v večjo prodajno uspešnost. Pomemben prispevek predstavlja tudi ugotovitev, da je vpliv znanja na vedenje zaposlenih odvisen od razreda blagovne znamke. Pri luksuznih blagovnih znamkah je vpliv znanja zaposlenih na njihovo sodelovanje pri razvoju blagovne znamke in nadpričakovano vedenje, usmerjeno v kupca, večji kot pri drugih blagovnih znamkah. Pri blagovnih znamkah nižjega cenovnega razreda pa je vpliv znanja zaposlenih na nadpričakovano vedenje zaposlenih negativen.

Kot naš zadnji prispevek k literaturi notranjega brandinga navajamo konceptualne in merske izboljšave koncepta znanja zaposlenih o blagovni znamki. Poleg tega, da pojem opredelimo,

tudi poglobljeno raziščemo njegovo strukturo in vrste znanj. Na podlagi Kellerjevega (1993) modela znanja porabnikov o blagovni znamki opredelimo tri elemente, ki sestavljajo znanje zaposlenih o blagovni znamki. To so zavedanje blagovne znamke, podoba o blagovni znamki in jasnost vloge zaposlenega pri uresničevanju blagovne znamke. Empirična analiza pokaže, da je jasnost vloge zaposlenega najpomembnejši dejavnik vedenj zaposlenih, saj vpliva na vsa vedenja, razen na sodelovanje pri razvoju blagovne znamke. Je tudi edini element znanja, ki neposredno vpliva na uspešnost prodaje zaposlenih. Zavedanje blagovne znamke in podoba sta različna konstrukta v primeru, ko merimo zavedanje objektivno (kot ocenitev zunanjih ocenjevalcev znanja zaposlenih) in podobo subjektivno (kot percepcijo zaposlenih). Poleg tega primerjamo objektivno in subjektivno zavedanje o blagovni znamki in ugotovimo, da sta šibko povezana. To pomeni, da subjektivnega merjenja znanja (kot percepcije zaposlenih) ne smemo uporabljati kot mero za ocenitev dejanskega (objektivnega) znanja zaposlenih.

Glavna prispevka doktorske naloge sta torej opredelitev v blagovno znamko usmerjenega vodenja vrhnjega menedžmenta in menedžmenta človeških virov kot možnih strategij za implementacijo notranjega brandinga ter proučevanje njunih vplivov na znanje zaposlenih o blagovni znamki, pripadnost blagovni znamki in vedenja, ki podpirajo blagovno znamko. Poleg tega pokažemo, da notranji branding prispeva k večji uspešnosti prodaje in da je odnos med znanjem in vedenji zaposlenih močnejši pri luksuznih blagovnih znamkah kot pri blagovnih znamkah nižjega razreda. Prav tako prispevamo k literaturi o notranjem brandingu tako, da konceptualno in metodološko nadgradimo konstrukt znanja zaposlenih o blagovni znamki.