

## Engage employees to engage customers: The role of the internal branding in fashion in retail

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**Abstract:** Companies must share their brand values to employees. When employees clearly understand brand positioning and values, they are more likely to be emotionally engaged. Internal branding leads to a better fulfillment of the brand promise and therefore a better deliverance of the firm to the outside. This paper explores if internal branding is a common practice, how internal branding is in the day-to-day life of retailing companies and its potential to improve commitment from the employee's perspective. A survey and an in-depth interview were conducted with 63 employees in different major Spanish fashion and retail players. The study provides findings about how employee's commitment increases with internal branding, and the lack of strategy alignment in companies that don't use internal branding.

**Keywords:** brand; commitment; values; ambassadors; fashion; retail sale; Spain, branding, models; companies.

[Abstracts in Spanish and Portuguese on pages 121-122]

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## Introduction

This study aims to analyze to what extent fashion brands have integrated Internal Branding models in companies and invested in in-house communication to strengthen the brand-employee alliance.

The most successful organizations in the world attach great importance to the training and motivation of employees. Through values, attitude and commitment they can communicate the brand promise to their customers in their interaction with them. (Berry & Lampo, 2004). As quoted in Branding labor-intensive Services, marketers are a key factor to improve the service.

In the past, *Internal Branding* was something with hardly any importance inside a company. Marketing managers were focused on making their campaigns appealing to their target customers. In fact, Customer-Relationship-Management is one of the most surrounding concepts in marketing these days (Buttle & Maklan, 2019). CRM -Customer Relationship Management- is about building a lasting relationship with the clientele by

setting active management that enables the company to understand their needs thanks to the information available.

The first formal research that suggested a change in brand management was not until 1999. Professor L. de Chernatony mentioned in “Brand Management Through Narrowing the Gap Between Brand Identity and Brand Reputation” the importance of internal branding in organizations for the first time. “Classical models of brand management pay insufficient attention to staff as brand builders, placing more emphasis on external issues such as the image” (De Chernatony, 1999).

Years later, the first holistic model of internal brand management was launched. Three related factors were examined: brand commitment, citizenship behavior and Brand-customer relationship, (Burmam, Zeplin & Riley, 2009). Thanks to this model published in *The Journal of Brand Management*, the development of employee-centered branding has taken off in a wide range of industries, such as tourism, FMCG, or hospitality. The fashion industry, in fact, has gradually acquired a similar awareness. In recent years, retail has begun to integrate Internal Branding models by investing significant resources in hiring and training employees to turn them into “Brand Ambassadors” (Schmidt & Baumgarth, 2018). If employees’ brand values fit, job satisfaction indicators and even workforce identification will definitely increase (Du Preez et al., 2017).

Consequently, this exploratory study aims to examine if internal branding is a common practice, how internal branding is in the daily life of organizations and its potential to improve commitment.

To this end, it has been made use of a survey and a deep interview to compile data about managers and executives of the leading international fashion brands.

## Literature review

### Internal Branding in Retail

It is said that marketing is key for any company in the world. When people think about it they are just thinking about a customer-based-marketing. However, there is another group of people who could be even more important when communicating a brand: the employees. Those are the one will make the brand come alive to customers. According to Badrinarayanan et al., employees’ identification with the brand positively influences their brand support and sales effort (Badrinarayanan & Laverie, 2011). Internal branding is about connecting the employees to the brand making them aligned with the company’s vision, mission and values. (Duncan, 2020) Therefore, it is all about connection. Internal branding is building a powerful emotional connection between the brand and the employees (Mitchell, 2002). There should be a special relationship that makes people care about the brand they work for to an extent that they would work harder to bring the company to the top. Without that feeling, there is no difference between working in that company or in another.

Thus, do companies understand what their employees' needs are? Do they know what to do to improve commitment or how to maintain them motivated to make them work more effectively? They usually do not know. Time has shown that communicating employees' brand attributes and keeping them aligned with their values highly benefits both the employee and the business (Mitchell, 2002). The marketing department is determining in this sense. An intense effort in internal communication should be done to convince them of "the uniqueness of the company's brand" by creating in them a passion for the brand (Mitchell, 2002). Internal advertising leads to an understanding of the brand vision, first in the employees and then in the customers who will experience the brand as something real and consistent. But, how can a brand develop this connection with its workers? Undoubtedly, creating brand awareness is something that has to be done thoroughly. Firstly, there is a right time for each business to boost its brand internally and therefore, the moment should be chosen carefully. As it is contained within the Harvard Business Review, the internal branding without the momentum can end up in a total failure (Mitchell, 2002). Managers must do research to determine when is the right moment for internal brand communication. Secondly, there should be a nexus between internal and external marketing. Customer-oriented marketing and the one for employees should be the same so as not to lose credibility. If there is a mismatch between both, the company's integrity could be under threat. Employees must believe in the brand to deliver on customer expectations (Mitchell, 2002). Launching an external advertising campaign that fits for both is the most effective way. The same message going out to every audience creates an image of truth and transparency.

Last but not least, bringing the brand alive for every employee in the company is everything. Herein lies the need to recognize employees as brand ambassadors (Hemsey, 1998). Workers must believe in what they are doing and must feel so connected to the brand that they would support it in every decision they make. In order to create these emotional touch-points, an intense work of active listening and understanding of the workers must be done. The tools available are the same that are used for customers such as surveys, intensive interviews, and even focus groups. Feedback is one of the greatest allies. (Mitchell, 2002) This will tell the company if they are doing a proper job or if on the contrary, they should reinforce brand awareness. Therefore, internal branding is training and communicating internally for a better understanding and engagement with the brand. When the corporation communicates effectively the brand vision to its employees and links their values into their workers' touchpoints, a special and unique connection emerges.

### **The importance of the shopping experience**

The shopping experience is the main research topic in many retail organizations. But, first things first. The concept of retail is an orientation of business management that seeks to determine the needs and desires of its target market and directs the company towards satisfying those necessities more efficiently than its competitors (Quintero, 2015). Simplifying, retail is the sale of a good in order to make a profit. So far, it has

been a simple transaction. However, in post-modern society experiential factors have been identified as crucial to maximize sales (Falk & Campbell, 1997). Thus, The shopping experience derives from the feeling of pleasure generated by the purchasing moment. Especially in the fashion industry, interest in the shopping experience has grown considerably. Over the past two decades, firms in the global fashion industry have been dealing with globalization and the opening of the global market (Luef et al., 2013). To succeed in the global marketplace the importance of brands is vital, as “fashion retailers are not just in the business of selling clothes, they are selling a lifestyle” (Cutcher and Ahtel, 2017). For retail fashion labels reputation, design and image are the main drivers of brand equity (McCull and Moore, 2011). Undoubtedly, people respond emotionally to their environment. Reputation and brand identity are largely built at the time of purchase. This way, going to a point of sale generates an encounter with the environment that produces emotional responses which influence the purchasing behavior. Buying experiences, which are created within the point of sale and branding experiences can be generated by creating close, personal, and pleasant emotions in the consumer that are memorable and unique (Nassar, 2007). Frontline employees play an important role in the experience. As it is explained by Baker in the Journal of the Academy of Marketing science the impact of social influence is huge and the influencing agent plays an important role in the retail sector.

There are three social influence methods namely, compliance, identification and internalization (Kelman, 1958). However, just the two latter are voluntary and persist longer when explaining “why employees would embrace the brand and engage in brand-building behaviors”.

Identification is adopting behaviors from other people in order to obtain their affiliation. This way, employee-brand identification is “a social construction that involves the integration of perceived brand identity (or brand image) into a self-identity” (Hughes and Ahearne, 2010). Thus, when an individual is provided with noteworthy brand information, the identification will be evident as an affiliation with the brand. On the other hand, internalization is the coherence between the employees’ and the organizations’ values, meaning employees feel aligned with the values of the brand and therefore are motivated to project the brand image to the clients in an effective way. Internalization is about transmitting and communicating values to the employees (Kelman, 1958).

Having defined these two social influence methods, it is clear that there is a close relationship between brand values and the employees’. In the paper “The power of the influencing agent refers to the ability of the influencing agent to impact the employee to achieve goals” (Hughes et al., 2010) it is suggested that the more a company invests in internal brand communications, the greater brand congruence will be endangered. As a result, this identification will encourage the employees to sell the product or service in such an authentic way that will generate confidence in the consumer. Therefore, the success of the internal branding activities will be reflected in the confidence of the employee in the brand and their capability to communicate it to the clients.

## The reassurance of Brand Ambassadors

A Brand Ambassador is fundamental for the creation of word-of-mouth marketing. The word ambassador is defined as to go on a mission. Before, ambassadors were related to the extensive powers and were credited representatives from a particular state sent to another country. However, nowadays the term ambassador has been adopted by businesses. The term Brand Ambassador is commonly used as brand advocate, customer evangelist, promotional model or advertising spokesperson (Boswarva, 2012). The individual is in charge of increasing brand awareness, communicating brand values, and communicating effectively (Fisher-Buttinger et al., 2008). In marketing literature, anyone can be an ambassador. Brand Ambassadors are sometimes customers themselves. In many other times, brand ambassadors are part of the company, that is, employees. The latter provides personalized customer service creating an atmosphere of familiarity and involvement (Belch&Belch, 2003). By and large, brand ambassadors have much influence in the customer's decision making (Boswarva, 2012), especially in an in-store environment. Therefore, employee performance impacts on the three branding principles that will be discussed, namely the experience, emotional connection and brand internalization. At the time of the transaction, customers develop an evaluation about their experience at three different levels -functional, mechanic and humanics. First, Functional attributes are referred to the technical aspects of the good. At this stage, it is important that the product works and that it meets the needs of the consumer. To continue, we have the Mechanics attributes which deal with in-store environment or intangible factors such as music, colors, scent, events and so on. Last but not least, humanic clues depart from people (language, mannerisms, enthusiasm or appearance) Berry & Lampo, (2004). Human excellence is crucial to the construction of a strong brand performance. On the other hand, emotional connection with customers should be built. "The truth is, what makes a brand powerful is the emotional involvement of customers" (Beers, 1998). Engaging clients emotionally through authentic, innovative and differentiating experiences raises a brand higher in reputation and commitment to the customer.

Brand internalization is the third of the principles discussed. In conformity with Berry and Lampo, "internal branding means teaching, selling and reinforcing the desired brand to employees". The desired brand experience and the role of employees in delivering it must be brought together. Customers are willing to pay more for an excellent brand and this starts from within.

Without a doubt the image of the company begins within. A company can transform employees into brand ambassadors which incredibly emphasizes the opportunities for them to boost customers' experiences (Boswarva, 2012). According to Wragg, the more united Brand Ambassadors and companies are, the more trustworthy the message will be (Wragg, 2004). Therefore, internal operations should be aligned to the brand promises so as not to lose credibility (Fitzgerald, 2004). The positive word of mouth as a result of the emotional engagement of the customer to the brand, arises on countless occasions from brand ambassadors who create a buyer-seller relationship.

## Internal Branding in Spain: Findings

### Hypothesis development

This study aims to understand if companies who promote internal branding training programs make a difference not only in employee brand alignment degree but also in their ability to communicate it to the clients. Recent studies in the hospitality industry show the importance of creating a unique and differentiated client tie for acquiring a competitive advantage.

However, there are differences in the way of connecting with customers depending on the sector we belong to. In fashion and retail specifically, branding has become increasingly important<sup>1</sup>. The intangible assets are now the ones that make the difference, such as the company's values, reputation and even storytelling. Brand communication, hence, is a key aspect of successful firms provided that it is made both internally and externally. Brand communication starts from within. Internal Branding training or communication programmes are the first steps to achieving employee commitment. Brand commitment is defined as "the degree of employees' psychological attachment to the brand, which influences their willingness to go the extra mile to achieve brand goals" (Burmam et al., 2009). Based on this, the first hypothesis is formulated:

**H1.** Brand training will have a positive effect on employee brand commitment

**H2.** Companies with no Internal Branding training will have a greater potential for improvement in employee commitment

Once the brand is well communicated internally it is time to transmit it to the outside. Successful external communication occurs when the employee feels so aligned that he/she is able to transmit the brand more effectively. Thus, is proposed:

**H3.** Brand training will have a positive effect on employee transmission of brand values to clients 360-degree communication is therefore vital. Acquiring internal branding Training programs will be helpful in the delivery of brand values to customers. What is more, the sooner a company starts to offer training, the greater brand commitment it will generate. In general, more training leads to more corporate welfare. Therefore, the next two hypotheses are posted:

**H4.** Companies with formal internal branding programs will have a greater employee brand commitment.

**H5.** Companies with formal internal branding programs will have a greater transmission of brand values to customers

### Methodology and data collection

This study is based on the theoretical framework described above thorough the review of the literature in different databases and most important publications. A profound bibli-

ographic review has been undertaken in national and international databases to make a diagnosis of the state of the science concerning media measurement.

So as to address our research questions, two other diverse methodologies have been used to conduct the research process of this paper, namely quantitative and qualitative techniques (triangulation):

First, a survey to different business employees with subsequent statistical analysis (quantitative technique).

Subsequently, in-depth interviews with marketing & communications professionals (qualitative technique).

The use of different research methods is recommended as a means of eliminating possible biases or prejudices that the researcher may suffer without being aware of them (Woodside, 2006). No research methodology is completely free of such biases (Webb et al., 2000). Each of the techniques used is explained in detail in the chapter where reference is made to the subject matter.

#### Participants

Based on the objective of this study, the selection criteria was oriented towards recruiting middle-high managers or employees from different fashion and retail brands.

**Table 1. Internal Branding Survey (Source: Elaborated by the authors)**

COMPANY	POSSITION	EMPLOYEE GENDER
ADORFO DOMINGUEZ	E-COMMERCE MANAGER	F
AMAZON	CUSTOMER SERVICE MANGER	M
ANTONIO MIRÓ	GENERAL MANAGER & PARTNER	F
ARISTOCRAZY	PRODUCT DEVELOPER	F
ARISTOCRAZY	PRODUCT DEVELOPER MANAGER	F
BLUE BANANA	OPERATIONS MANAGER	F
BERSHKA	E-COMMERCE MARKETPLACE MANAGER	F
BIMBA Y LOLA	E-COMMERCE PRODUCT MANAGER	F
C&A	MARKETING & COMMUNICATIONS MANAGER	M
CAMPER	PR DIRECTOR	M
CASTAÑER	DIGITAL DIRECTOR	M
CAROLINA HERRERA	PRODUCTION MANAGER	F
CORTEFIEL	INNOVATION DIRECTOR	F



EL CORTE INGLÉS	MARKETING SPECIALIST	F
EL CORTE INGLÉS	BRAND MANAGER	M
EL CORTE INGLÉS	CHIEF DIGITAL OFFICER	M
EL CORTE INGLÉS	SENIOR BUSINESS LEAD	F
EDMOND STUDIOS	FOUNDER	M
EDMOND STUDIOS	FOUNDER	M
EMAUS	COMMUNICATIONS MANAGER	F
ENDESA	DIRECTOR OF SUSTAINABILITY	M
HAWKERS	PRODUCT MANAGER	F
H&M	HR MANAGER	M
H&M	HR BUSINESS PARTNER	F
INDI&COLD	MARKETING MANAGER	F
JAVIER SIMORRA	GENERAL MANAGER & PARTNER	M
LABORATORIOS LILLY	MARKETING DIRECTOR EUROPE	F
LOEWE	RAW MATERIALS DEVELOPMENT	F
LOEWE	BUSINESS PLANNING	F
LOEWE	JUNIOR RETAIL CONTROLLER	F
LOEWE	BRAND SPECIALIST	F
LOEWE	E-COMMERCE MANAGER	F
LVMH	E-COMMERCE & DIGITAL MANAGER	F
MAHOU SAN MIGUEL	PRODUCT MANAGER	M
MANGO	PRODUCT MANAGER	F
MANGO	PURCHASING INTERN	M
MANGO	SALES DEVELOPMENT	F
MASSIMO DUTTI	BUYER	F
MAYORAL	E-COMMERCE & DIGITAL MARKETING SPECIALIST	F
MONTBLANC	MARKETING DIRECTOR	F
MULTIOPTICAS	CORPORATE AFFAIRS DIRECTOR	F
NIKE	SALES PLANNING MANAGER	M
PEDRO DEL HIERRO	MARKETING DIRECTOR	F
PEPE JEANS	COLLECTION MANAGER	F

PUIG GROUP	MARKETING MANAGER	M
PURIFICACIÓN GARCÍA	E-COMMERCE MANAGER	M
PHILIPS	PRODUCT MANAGER	M
PRIMARK	PURCHASING DIRECTOR	F
PRIMARK	CSR VICEPRESIDENT	F
PRONOVIAS	PERFORMANCE MARKETING MANAGER	F
SCALPERS	JUNIOR DESIGNER	F
SEAT	FACTORY DIRECTOR	M
SPRINGFIELD	BUYING DIRECTOR	M
TELFÓNICA	SPONSORSHIP DIRECTOR	M
TENDAM	BUYER	F
TENDAM	SUPPLY CHAIN DIRECTOR	M
TERNUA	INNOVATION DIRECTOR	M
TOMMY HILFIGER	PURCHASING MANAGER	F
TWIN CHIC	FOUNDER & CEO	F
UTERQÜE	BUYER	F
WOMAN SECRET	CREATIVE DIRECTOR	F
ZARA	BUYER	F
ZARA	PROJECT MANGER & ARCHITECT	F

## Quantitative phase

The quantitative research was carried out by a survey<sup>2</sup>. According to Groves et al. “A survey is a systematic method for gathering information from a sample to construct quantitative descriptions of the attributes of a larger population” (Groves, Fowler, Couper, Lepkowski, Singer, Tourangeau, 2011). In this case, the survey method is appropriate for understanding the degree of importance of internal brand communication in retail. Targeting, selecting the sample and coverage are important when designing a survey because they directly affect the inference (Groves et al., 2011). The questionnaire was distributed to each participant individually by email and respondents were assured of their anonymity. It was conducted using Survey Monkey online survey software and the information gathering process took place in January 2021. The questionnaire was structured in two parts. The first was focused on obtaining employee data such as gender, position and years within the organization. Likewise, this first part also asked about the activities, training and internal communication channels that the brands they currently

work for have. Secondly, the survey consisted of rating different aspects of the company using a 100-point numerical scale. The Numerical Rating Scale (NRS), is one of the most common ways of measuring attitudes (Wilson, 2006) since such a broad range of ratings gives more accurate results of the real perceptions of the respondents. The analysis of the quantitative data has been made by two different methods -Survey Monkey and Minitab Statistical Software. To begin with, data has been tabulated and compared by using the *Analyse results* tool from Survey Monkey platform. Secondly, for the hypothesis analysis relating two variables (H1, H2, H3), a comparison of means was performed with a hypothesis t-test. As for the ones relating more than two variables, H4 and H5, an analysis of variances using ANOVAs. Previous verifications have been made to verify the fulfillment of the hypotheses posed by these techniques (normality, independence and homoscedasticity), having been validated by the data.

**Table 2. Internal Branding Survey (Source: Elaborated by the authors)**

INTERNAL BRANDING SURVEY	
Brand training is the core practice of internal branding programs. This questionnaire is part of a research project that aims to measure internal marketing programs in order to analyze and gain first-hand knowledge of the value of this practice within organizations. The questionnaire is anonymous, confidential and reserved and therefore, the results will be used only for research purposes. I thank you in advance for your valuable collaboration.	
Before you begin, a few introductory questions:	
RQ1. Please indicate your gender:	<ol style="list-style-type: none"> <li>1. Female</li> <li>2. Male</li> <li>3. Prefer not to say</li> </ol>
RQ2. Position within the organization:	<ol style="list-style-type: none"> <li>1. Manager</li> <li>2. Partner</li> <li>3. Owner</li> <li>4. Middle management</li> <li>5. Other (please specify):_____</li> </ol>
RQ3. Number of years with the current company:	

Below are 12 questions for you to answer, which will only take a couple of minutes. It will only take a couple of minutes - your additional comments are valuable to us!	
RQ4. Do you have a deep understanding of the spirit of your organization? Mission, vision, values, target customer, etc.?	<ol style="list-style-type: none"> <li>1. Yes</li> <li>2. No</li> </ol>
RQ5. Would you say that there is continuous training to convey to employees the history, identity and values of the brand?	<ol style="list-style-type: none"> <li>1. Yes</li> <li>2. No</li> </ol>
RQ6. What tools, methods or communication channels does your organization use to convey its objectives, values and philosophy to its employees?	<ol style="list-style-type: none"> <li>1. Videos</li> <li>2. Posters</li> <li>3. Email or Newsletter</li> <li>4. Training meetings</li> <li>5. Specific brand training</li> <li>6. Other (please specify): _____</li> </ol>
RQ7. What channels do you use to analyze the degree of employee satisfaction in the company and understand their needs?	<ol style="list-style-type: none"> <li>1. Surveys</li> <li>2. Personal interviews</li> <li>3. Informal meetings</li> <li>4. Other (please specify): _____</li> </ol>
RQ8. Internal branding consists of connecting employees with the brand by aligning them with the company's values, vision and mission. Did you know about this concept?	<ol style="list-style-type: none"> <li>1. Yes</li> <li>2. No</li> </ol>
RQ9. If your company does internal branding, what is the frequency of those activities?	<ol style="list-style-type: none"> <li>1. Every week</li> <li>2. Every month</li> <li>3. Every few months</li> <li>4. At least once a year</li> </ol>

<p>RQ10. How long have these internal communication programs been in place?</p>	<p>5. Only when launching a new marketing campaign</p> <p>6. When changes occur in the organizational structure</p> <p>7. Other (please specify):_____</p> <p>1. One year or less</p> <p>2. Between 5 and 5 years ago</p> <p>3. More than 5 years ago</p> <p>4. There are no internal communication programs</p>
<p>Please answer below on a scale of 1 to 10, with 1 being “Not at all” and 10 being “Completely”:</p>	
<p>RQ11. How important is the recruitment and selection of new employees based on brand-oriented values for your organization?</p>	<p>(1, 100)</p>
<p>RQ12. How engaged, aligned and/or connected would you say employees feel with the brand?</p>	<p>(1, 100)</p>
<p>RQ13. Do you think employee engagement and performance would improve with more internal communication and training?</p>	<p>(1, 100)</p>
<p>RQ14. Do you feel that your employees convey brand values when dealing with customers?</p>	<p>(1, 100)</p>
<p>RQ15. Do you consider that your employees recommend your brand to someone who seeks their advice?</p>	<p>(1, 100)</p>
<p>Thank you very much for your cooperation and your time.</p>	

## Qualitative phase

The qualitative research used an in-depth interview with an employee from a well-known Fashion brand in Spain. The in-depth interview is the most effective way to obtain deeper information and clarify given answers as well as ensuring consistency (Marshall & Rossman, 2014). That said, the qualitative approach was selected because of its ability to obtain a first-hand description. In this paper, a detailed interview occurs as a consequence of the need to develop more extensively the answers of the survey. As this

data collection methodology has been used as a complement to the previous survey, it is a sufficient and proper source of gathering data (Marshall et al., 2014). The interview provides complementary information to the questionnaire to better understand what truly resides within a fashion company in Spain. This, however, may vary from organization to organization. The interview lasted approximately an hour which was audiotaped, transcribed, and translated from Spanish for later analysis (Voss et al., 2002). This procedure included a process of reduction and interpretation (Marshall et al., 2014).

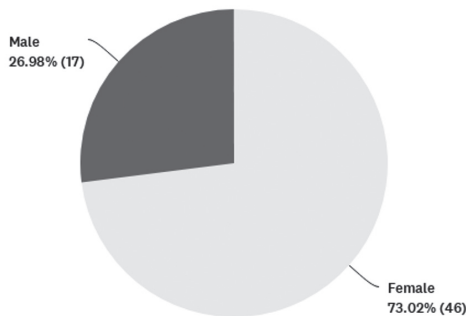
## Analysis & research findings

### Quantitative research findings

Gender, position and years within de org

To begin with, questions were asked to find out the employees' gender, position and years within the organization.

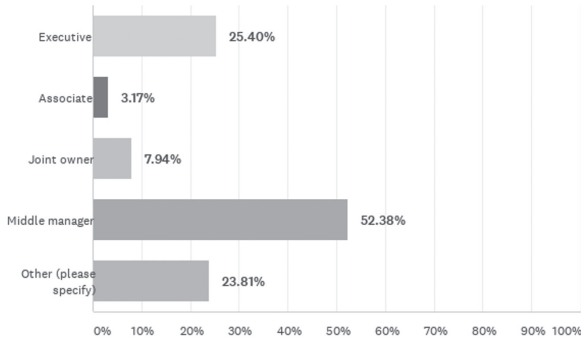
P1 Please specify your gender:



**Figure 1.** Employee's gender (Source: elaborated by authors).

Regarding the number of years being part of the company, we have grouped the data to differentiate three groups among the respondents. The results show that 53.2% are employees who have been with the company for less than 5 years, 14.5% between 5 and 10 years, both inclusive, and 32.3% have been with the company for more than 10 years.

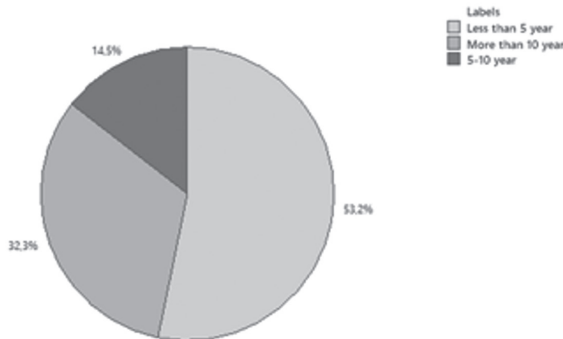
**P2 Position in the Organization:**



**Figure 2.** Years within the organization (Source: elaborated by authors).

The survey, as mentioned above, was launched for employees of large fashion firms. Among them, responses ranged from trainees to employees in management positions (25.4%), partners (3%) or owners (7.94%). In addition, the response rate of middle management employees was 52.38%.

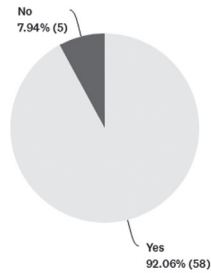
**Number of years within the organization**



**Figure 3.** Position within the organization (Source: elaborated by authors).

Training, communicating and understanding brand values. When asked how much they believe they know about the spirit of their organization, 92.06% say they have a deep understanding and only 7.94% say they do not. Nevertheless, they argue they do understand the brand in a more generic way.

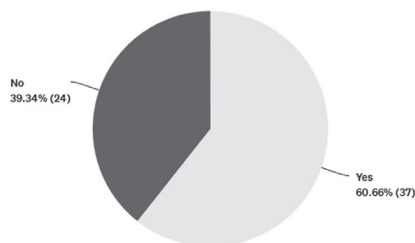
P4 Do you have a deep understanding of the spirit of your organization? (Mission, vision, values, target customer, etc.)?



**Figure 4.** Employees Brand understanding (Source: elaborated by authors).

Subsequently, as for the training received within the organization on values, mission or vision, 39.34% stated there are no training tools within the company that communicates the brand.

P5 Would you say that there is continuous training to convey to employees the history, identity and values of the brand?



**Figure 5:** Brand training (Source: elaborated by authors).



Furthermore, the respondents commented on several occasions that depending on the area it is given more or less importance to brand-spirit communication:

“Depending on the position or department, you have it more present and internalized”

“It depends on the area”

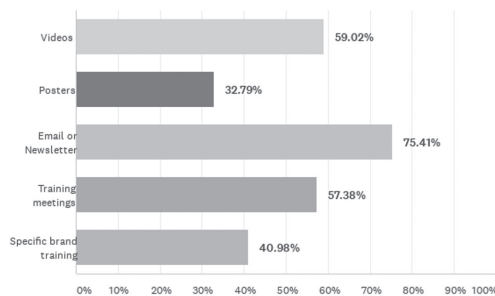
“There are some people who are more related than others and a lot of it depends on the position they hold. An administrative position does not perform as a marketing or design department.”

Internal communication tools: which, when and since when

Afterwards, employees were asked about the communication channels used by the organizations to transmit their philosophy and values to the company’s employees.

Using checkboxes, respondents indicated which tools were used in their companies, being email or newsletter the most selected ones with 75% (45 points), followed by videos (60% and 36 points) or meetings (56.67% and 34 points).

P6 What tools, methods or communication channels does your organization use to transmit its objectives, values and philosophy to its employees?



**Figure 6.** Communication Channels (Source: elaborated by authors).

Among those who selected other means of communication, several mentioned internal chats as the main communication tool: Intranet, Platform for internal use, Internal chat, There is an in-house app where all projects and in coming challenges are reported, commented some.

As far as the frequency of internal communication is concerned, 16.39% answered that in-house marketing occurs every week, 24.59% that it takes place every month and 13.11% at least once a year.

P9 How often or when does the organization perform internal branding activities?

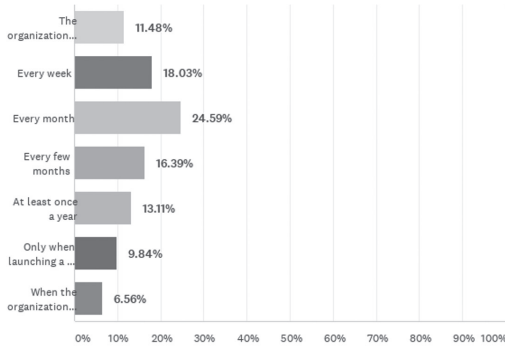


Figure 7. Frequency of Internal Branding (Source: elaborated by authors).

In addition, the majority of employees state that these programs were incorporated in the organizations from 1 to 5 years ago (37.5%). Another 32.34% assures it was more than 5 years ago and just a 5.36% embed it less than one years ago.

P10 How long have these internal communication programs been in place?

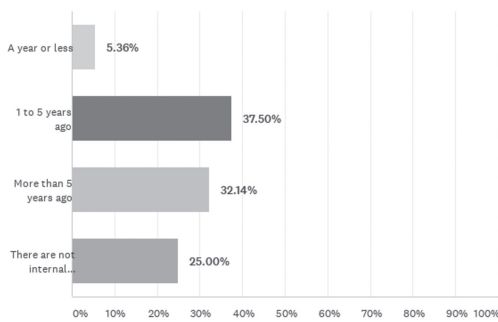


Figure 8. Year of implementation of internal branding (Source: elaborated by authors).

Internal branding, is a term that 87.3% deeply understand or are at least familiar with. Among those who said they were aware of the concept, 66.7% stated that there were training activities. On the other hand, 80% of those who ignored the meaning of the term, did not carry out any internal marketing activities, as was to be expected.

P8 Internal branding consists of connecting employees to the brand making them aligned to the company's values, vision and mission. Did you know about this concept?

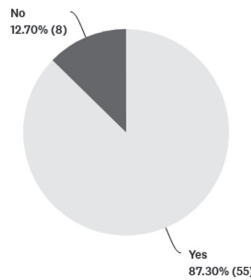


Figure 9. Internal Branding Concept (Source: elaborated by authors).



Figure 10. Internal Branding Concept (Source: elaborated by authors).



Figure 11. Internal Branding Concept (Source: elaborated by authors).

### Hypothesis testing & Variance analysis

H1. Brand training will have a positive effect on employee brand commitment<sup>3</sup>.  
 The first hypothesis relates brand training (RQ5) with employee alignment (RQ12) within organizations. Is there a significant difference in the perception of employee commitment depending on whether or not organizations conduct Internal Brand training? SCORE Brand commitment.

	N	Mean	StDev	SE Mean
1.	23	61,6	22,6	4,7
2.	39	78,1	20,8	3,3

#### Hypothesis Testing

$$H_0: \mu_1 - \mu_2 = 0$$

$$H_1: \mu_1 - \mu_2 \neq 0$$

T-Value	DF	P-Value
-2,85	43	0,007

There are significant differences in the mean scores. With a confidence level of 95%, the difference between scores on the perception of commitment depending on whether the organization does or not training in Internal Branding, ranges between (-28.14; -4.83) points.

That is, businesses with continuous brand training programs have more brand-employee alignment. However, workers are perceived to be less committed in organizations without brand training.

H2. Companies with no Internal brand training will have a greater potential for improvement in employee

This hypothesis relates brand training (RQ5) with the potential to improve in brand commitment (RQ13) within organizations. Is there a significant difference in the perception of employees' ability to improve in commitment depending on whether organizations train in Internal Branding or not?

SCORE Improvement in commitment

	N	Mean	StDev	SE Mean
1.	23	89,8	12,6	2,6
2.	38	77,3	30,5	4,9

Hypothesis Testing

$H_0: \mu_1 - \mu_2 = 0$

$H_1: \mu_1 - \mu_2 \neq 0$

T-Value	DF	P-Value
2,23	53	0,03

There is evidence of significant differences in the mean scores. With a confidence level of 95%, the difference between scores on the perception of employees' ability to improve their commitment and performance depending on whether the organization does or does not train in Internal branding will range from (1.25; 23.72) points. In other words, in organizations with no internal brand training, it is perceived that there is a greater potential for improvement in the commitment and performance of the staff.

H3. Brand training will have a positive effect on employee transmission<sup>4</sup> of brand values to clients

Hypothesis n. 3 relates brand training (RQ5) with employee communication of the brand (RQ14). Is there a significant difference in the perception of a greater transmission

of brand values to customers depending on whether or not employees are trained in Internal Branding?

SCORE Conveying Brand-values to customers

	N	Mean	StDev	SE Mean
No	23	70,6	23,2	4,8
Yes	39	79,3	19,6	3,1

Test

$H_0: \mu_1 - \mu_2 = 0$

$H_1: \mu_1 - \mu_2 \neq 0$

T-Value	DF	P-Value
-1,51	40	0,14

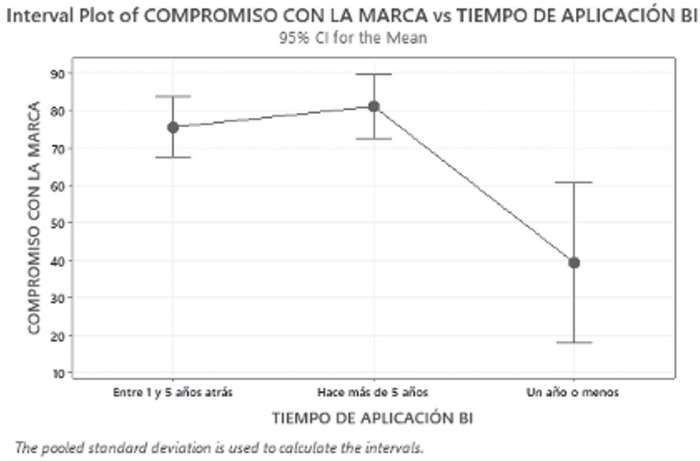
Although the average score achieved by organizations that train employees (79.3) is almost ten points higher than those who do not train in Internal Branding at all (70.6), there is not a significant difference in the perception of a greater transmission of brand values by those respondents who work or run companies that train and communicate brand internally. In this case, we could conclude that having internal Brand training programs is not sufficient for a better conveyance of brand values to customers.

H4. Companies with formal<sup>5</sup> internal branding programs will have a greater employee brand commitment.

For the following assumption, time using internal branding programs (RQ10) and employee commitment (RQ12) have been related. Is there a significant difference in the perception of employee engagement across organizations depending on how long they have been applying Internal marketing techniques?

Source	DF	Adj SS	Adj MS	F-Value	P-Value
TIME SINCE IMPLEMENTATION	2	4478	2239,1	6,74	0,003
Error	39	12949	332,0		
Total	41	17427			

**Table:** Analysis of variance



**Figure 12.** Interval Plot - Brand commitment vs time using Internal Branding programs. (Source: elaborated by authors)

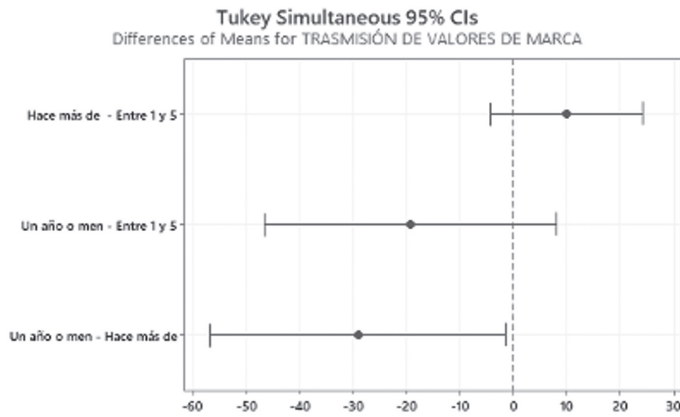
Significant differences can be noticed in the results. There is a clear perception of a greater alignment of employees in those organizations that applied Internal branding programs beforehand. This is greater and more evident than by those who have just included these techniques –one year or less–. This can be summarized as follows: internal branding training techniques take time to reach deep into employees, and therefore the differences are seen in the long term. The sooner the programs are implemented, the earlier employee engagement will be generated.

H5. Formal6 internal branding programs will have a positive effect on employee transmission of brand values to customers.

Finally, we have studied the relationship between time using internal branding programs (RQ10) and employee brand communication (RQ14). Is there a significant difference in the perception of brand-values transmission when dealing with clients depending on the number of years since the implementation of internal brand communication techniques?

Source	DF	Adj SS	Adj MS	F-Value	P-Value
TIME SINCE IMPLEMENTATION OF IB	2	2522	1261,0	3,84	0,030
Error	39	12824	328,8		
Total	41	15346			

**Table:** Analysis of Variance



*If an interval does not contain zero, the corresponding means are significantly different.*

**Figure 13.** Differences of Means - Brand values conveyance (Source: elaborated by authors).

Significant differences can be observed. The differences of means in brand conveyance to customers is highly noticeable between companies that have just introduced the techniques –one year or less– and those that have been doing so for more than 5 years. Hence, organizations that introduced internal communication programs more than 5 years ago, are clearly greater in the transmission of brand values to customers. To sum up, this is a clear reason why companies should be encouraged to introduce internal Branding and communication techniques. It is statistically proven to not only increase employee engagement but also improve brand values transmission to the targeted consumer.

## Qualitative research findings

### Brand connection

Feeling identified with your brand creates a special bond that makes your efforts worthwhile. Analysis of the interview transcript stressed the importance of this connection between the employees and the brand in order to work effectively. More specifically, the respondent felt that harsh times are more bearable if you do it for something you have faith in. She commented: “If you feel aligned with your organization and you love it, I guess it’s very easy for you. I’ve been through hard times at work, feeling, stressed out and that I thought I couldn’t cope with it anymore. But deep down I’m in love with my brand.”

Nevertheless, when asking her about how well she understands her brand (values, mission, or target customer) generally, the participant is not able to name the values. “I feel aligned with the core values of my brand but I cannot define them. It is more of a daily



approach, it's something you can feel! Day by day you get involved and everything is quite passionate.” she says.

The importance of brand understanding was addressed during the interview when the employee mentions the American Chocolate candy-brand M&Ms® where her boyfriend is currently working, in M&MS (American corporate culture company) employees understand and know perfectly well what the spirit of the organization is. Every 3 months, there's a company review and employees are asked for the definition of the mission, values and so on. Employees must identify with at least a half of them and say why. In his company, brand understanding is strictly enforced.

### **Brand training**

Brand training is something that is not yet established. The results of the survey revealed that almost 40% of the companies do not have ongoing training at the moment. The findings of the paper reflect the reality of the retail sector. A large percentage of companies do not have training plans, yet employees report it as something inspiring. For example, there is no one in Uterque who gives you a specific or continuous formation, but the spirit of the brand is indeed in the atmosphere. In our case, the brand manager is spectacular. She never stops motivating people by reminding them of our core values. I do believe that is extremely inspiring. If she wasn't there, I don't know if I would have been having this vibe.

### **Brand communication**

When exploring the impact of brand communication in employee engagement and performance, the interviewee expresses the need for brand communication in areas with lower visibility. “Yes –answering to the RQ9–, and especially in more isolated departments. I am in the core area, design and purchasing. But some departments were not so much at heart and perhaps it would be interesting to involve them more.”

Simply communicating to every area of the company could improve internal brand communication and therefore, identification. But, despite the little brand spirit communication that often exists, individuals within organizations are still working for their brand's welfare. Such overwhelming commitment is evidenced with the following comment: “What I can tell you is that word of mouth works a lot and that within Inditex, without too many concrete initiatives, the fundamental values of the company are breathed. It is mainly a human issue.” As in life, when you love something, it shines through. When people believe in what they do, they spend as much time as it takes to make things work as smoothly as possible.

## **Conclusions**

As was premised in the literature review, the most recognized brands on earth have resorted to selecting and training employees according to the company's culture. In recent years, the identity, values, ethics and spirit of the company have been transmitted

to employees to turn them into brand ambassadors. This training is undoubtedly the starting point of internal branding that seeks to improve employee commitment and identification. The fact that people believe in the brand they work for can also be seen as a welfare generator. Increasing employee satisfaction potentially increases their productivity, which benefits the company on a wide range of levels. This study tested to what extent internal branding practices are embedded within the companies. Our survey results indicate that even though *internal branding* is a concept that most people have heard of, there is still a lot of room for improvement. Besides that, after examining employee perceptions of brand training, communication and identification we could conclude in this way: those who benefit from Internal Branding Training, score higher on employee engagement than those who do not.

There is a greater potential for improvement in employee engagement in those firms without Internal brand training programs. Those companies with Internal Branding communication techniques implemented for longer, count on more committed employees. In addition, it has been shown that those employees are able to better convey brand spirit to customers.

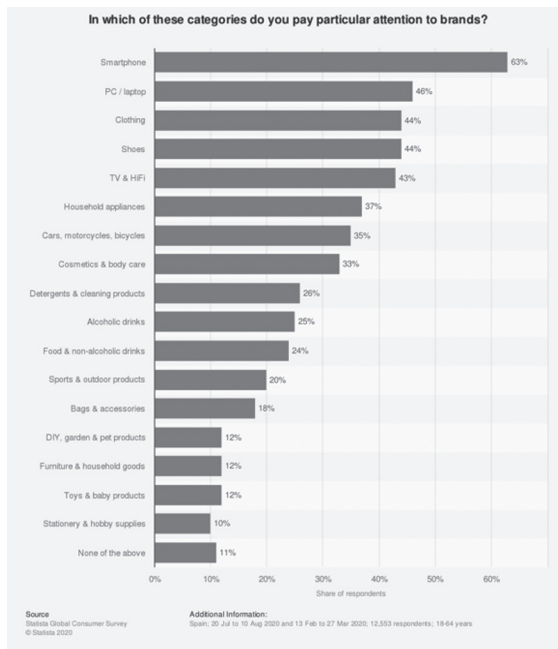
Even though there is some uncertainty about the corporate values, employees feel that overall, the spirit of the brand is in the environment. However, findings show that employees from the most “isolated” departments –those that are not that close to the product– could improve their brand identification through more internal communication. To conclude, it could be said that there is a general feeling of a lack of internal training on brand values in the companies. However, in an industry where the connection between the brand and the individual is as strong as it is important, this should be a key issue. In many cases, employees share the spirit and live the brand without being fully aware of it. With increased communication and an internal marketing plan, companies could go much further. On the basis of this study, we suggest that managers should consider introducing internal brand communication practices. As the number of years since the implementation of communication channels increases, so does the commitment and brand transmission. This should undoubtedly be a source of inspiration for companies that are just starting out in this area of marketing.

## Study limitations and future research

Study limitations should be identified to strengthen future research designs. Even though this paper has identified the need for internal branding, it has only examined the retail sector in Spain. These results are limited mainly to fashion companies and might not be representative of the different sectors where brand reputation carries less weight. Secondly, although 63 employees from different powerful fashion brands answered the survey, the sample size may be relatively small to draw further conclusions. Besides, the respondents selected to participate in the survey were mainly from upper-middle positions who may have an unrealistic view of what is going on within the company. Future studies should optimally collect samples of both groups of employees in fashion

organizations. As for the data collection, the investigation is based on a survey and an in-depth interview as the only tools and is proven by simple statistical methods to look for differences among variables. However, other statistical resources can be applied to draw new and deeper insights such as the Common Method Variance (CMV) or a holistic model of internal brand management.

On the other hand, having assessed workers' perceptions on a numerical scale from 1 to 100 have led to a deeper understanding of their feelings. The numerical scale<sup>7</sup> gives the researcher the possibility to ask for more precise answers. Therefore, this paper encourages future researchers to continue with this method of measurement. Finally, a longitudinal study might present further opportunities for enhancing a better understanding of the impact of internal branding within businesses.



**Figure 14.** Importance of branding among sectors (Source: Statista).

## Notas

1. Survey Participants (Source: Elaborated by the authors).
2. Survey Participants (Source: Elaborated by the authors).

3. Brand training will have a positive effect on employee brand commitment.
4. Transmission of brand values: communication, conveyance of the brand to customers.
5. Formal: Internal branding programmes for more than 5 years ago.
6. Formal: Internal branding programs for more than 5 years ago.
7. Survey Monkey website.

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**Resumen:** Las empresas deben compartir los valores de su marca con los empleados. Cuando los empleados entienden claramente el posicionamiento y los valores de la marca, es más probable que se comprometan emocionalmente. El *branding* interno conduce a un mejor cumplimiento de la promesa de la marca y, por tanto, a una mejor entrega de la empresa al exterior. Este artículo explora si el *branding* interno es una práctica común, cómo es el *branding* interno en el día a día de las empresas de retail y su potencial para mejorar el compromiso desde la perspectiva del empleado. Se realizó una encuesta y una entrevista en profundidad a 63 empleados de los principales actores de la moda y el retail en España. El estudio proporciona hallazgos sobre cómo aumenta el compromiso de los

empleados con la marca interna y la falta de alineación de la estrategia en las empresas que no utilizan la marca interna.

**Palabras clave:** Marca - compromiso - valores - embajadores - moda - venta minorista - España - *branding* - modelos - compañías.

**Resumo:** As empresas devem compartilhar os valores de sua marca com os funcionários. Quando os funcionários entendem claramente o posicionamento e os valores da marca, é mais provável que eles se envolvam emocionalmente. O branding interno leva a um melhor cumprimento da promessa da marca e, portanto, a uma melhor entrega da empresa no exterior. Este artigo explora se o branding interno é uma prática comum, como é o branding interno no dia-a-dia das empresas de varejo e seu potencial para melhorar o engajamento do ponto de vista dos funcionários. Realizou-se um inquérito e uma entrevista em profundidade a 63 colaboradores dos principais players de moda e retalho em Espanha. O estudo fornece descobertas sobre como o envolvimento dos funcionários com a marca interna e o desalinhamento da estratégia aumenta em empresas que não usam a marca interna.

**Palavras chave:** Marca - compromisso - valores - embaixadores - moda - Venda a retalho - Espanha - branding - modelos - empresas.

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