THE ROLE OF INTERNAL BRANDING IN EMPLOYEE BRAND KNOWLEDGE, BRAND COMMITMENT AND BRAND ENDORSEMENT – A case study

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ABSTRACT

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Abstract
Employees can be the most valuable brand builders for corporate brands. Especially in service firms, customer experience is strongly dependent on employee behaviour.
It is well acknowledged among researchers that well-implemented internal branding increases employees' brand commitment and loyalty and turns employees as brand advocates who will deliver consistent messages of brand values and promises in all touchpoints with various stakeholders.

The objective of this study is to examine the relationship between internal brand communication, internal brand knowledge, brand commitment and employees' willingness to endorse the brand. This thesis is conducted as a case study for CapMan Plc, a leading Nordic private asset management and investment company.

A research model was formed based on theoretical framework and the measurement constructs were adopted from previous academic research. Quantitative approach was used, and the data was collected through an online survey. The survey was sent in June 2019 to all 122 employees of CapMan and 65 responses were given. As this is a case study, the sample only included CapMan's employees. The data was analysed in IBM SPSS Statistics and the model was assessed using partial least squares structural equation modelling (PLS-SEM) in SmartPLS 3.

Three hypotheses of six were supported. Based on this study, brand commitment had a positive effect on employees' brand endorsement. Internal brand communication was found to impact positively to employee perceived brand knowledge. Also employee perceived brand knowledge had positive effect on employees' brand commitment.

As this is a case study, the findings can add and support existing theories about internal branding but further studies are required in order to generalize findings. Previous research has proven that brand commitment has positive effect on employees' brand building behavior and this study support that finding. This study also contributes to existing literature about importance of internal communication in employees' brand knowledge. Brand knowledge has been recognized as an antecedent for brand commitment in previous research and this study supports also that finding.

Key words
Internal communication, brand commitment, brand knowledge, brand endorsement

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TIIVISTELMÄ

Tekijä	
Mari Kemppi	
Työn nimi	
Sisäisen brändijohtamisen rooli työntekijöiden bränditietämyksessä, sitoutumisessa ja suositteluhalukkuudessa	
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Tiivistelmä

Työntekijät voivat olla yrityksen arvokkaimpia brändinrakentajia. Erityisesti palveluorganisaatioissa työntekijöiden käyttäytyminen heijastuu vahvasti asiakaskokemukseen. Useissa tutkimuksissa on havaittu, että sisäinen brändäys lisää työntekijöiden sitoutumista ja uskollisuutta brändille ja tekee työntekijöistä brändilähettiläitä, jotka viestivät brändilupausta ja arvoja kohtaamisissa eri sidosryhmien kanssa. Tämän tutkimuksen tavoite on tutkia sisäisen viestinnän, työntekijöiden bränditietämyksen, sitoutumisen ja halukkuuden suositella brändiä välisiä suhteita. Tämä tutkimus on toteutettu case-tutkimuksena CapMan Oyj:lle, joka on johtava pohjoismainen pääomasijoitusalan asiantuntija.

Tutkimusmalli kehitettiin aikaisemmista teorioista ja kyselyn muuttujat on omaksuttu aikaisemmista tutkimuksista. Tutkimus toteutettiin määrällisenä tutkimuksena verkkokyselylomakkeella. Kyselylomake lähetettiin CapMan Oyj:n kaikille 122 työntekijälle ja vastauksia saatiin 65 kappaletta. Koska tutkimus on luonteeltaan case-tutkimus, kerätty näyte sisälsi ainoastaan CapMan Oyj:n työntekijät. Data analysoitiin ensin IBM SPSS –ohjelmalla, jonka jälkeen tutkimusmalli analysoitiin Smart PLS 3 – ohjelmalla. Tutkimuksessa asetettiin kuusi hypoteesia, joista tulokset tukivat kolmea. Tulosten perusteella brändiin sitoutuminen vaikuttaa positiivisesti työntekijöiden halukkuuteen suositella brändiä. Sisäisellä brändiviestinnällä oli positiivinen vaikutus työntekijöiden bränditietämykseen, ja työntekijöiden bränditietämys vaikutti positiivisesti työntekijöiden sitoutumiseen brändiin.

Koska tämä on case-tutkimus, tulokset voivat tukea jo olemassa olevia teorioita ja tutkimuksia sisäisestä brändäyksestä. Jatkotutkimukset eri konteksteissa ja isommalla näytekoolla ovat tarpeen, jotta tulosten yleistämisestä voidaan keskustella. Aikaisemmissa tutkimuksissa on korostettu työntekijöiden sitoutumisen merkitystä halukkuuteen suositella brändiä, ja tämä tutkimus tukee tätä teoriaa. Tämä tutkimus tukee myös aikaisempien tutkimuksien tapaan sisäisen viestinnän merkitystä työntekijöiden bränditietämyksessä sekä bränditietämyksen merkitystä työntekijöiden sitoutumiseen.

Asiasanat

Sisäinen viestintä, sisäinen brändäys, sitoutuminen, työntekijöiden suositteluhalukkuus

Säilytyspaikka

Jyväskylän yliopiston kirjasto

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1   INTRODUCTION

Employees are one of the most important assets in brand building as their performance is directly linked to the success of a service brand (Punjaisri & Wilson, 2007). Employee performance in service situations impacts significantly on customer experience and shapes their perceptions of the brand. (Morhart, Herzog, & Tomczak, 2009). Employees are walking and talking brand builders, as they live and communicate the brand in all encounters with the stakeholders. Building and managing a strong corporate brand is subject to successful internal branding. Internal branding has a great effect on employees' eagerness to spread consistent brand messages across stakeholder groups. Internal communication and brand training have an important role in preparing employees to deliver authentic brand messages in their daily work. Through internal branding techniques, the management can ensure that employees' values and behaviour is consistent with the defined brand identity. As a result of effective internal brand management, employees can internalize the brand values and deliver consistent brand messages to all stakeholder groups which supports a favourable brand reputation among stakeholders (Harris & de Chernatony, (2001); Punjaisri & Wilson, (2007).

This study is conducted as a case study for Nordic private asset management and investment company CapMan. The purpose of this thesis is to study are CapMan's employees perceiving internal brand communication positively at CapMan, what is the extent of their employee perceived brand knowledge of the CapMan brand, how committed they are to CapMan's brand and whether they are willing to endorse the CapMan brand to others. This study also seeks out to examine whether CapMan's internal brand communication measures have been effective and produced positive behavioural outcomes: employee perceived brand knowledge, brand commitment and brand endorsement. The objective is also to study does employee perceived brand knowledge produce brand commitment and brand endorsement among employees of CapMan, and do high levels of brand commitment produce brand endorsement among employees of CapMan.

Internal branding remains as an important and interesting research topic among scholars because it is considered as a powerful tool to create strong brands. In today's competitive world where product and service offering is very similar, a strong brand can be a differentiating factor which produces competitive advantage to organisations. It has been argued that brand strength is dependent on the consistency which customer experiences in all encounters with the brand. If employees demonstrate brand citizenship behaviour in encounters with customers and other stakeholders, the consistency of customers' brand experiences increases (Burmann & Zeplin, 2005). Brand citizenship behaviour is

defined as "an aggregate construct that describes a number of generic employee behaviours that enhance brand identity" (Burmann, Zeplin, Riley, 2009, p. 3). According to Burmann et al. (2009) brand citizenship behaviour describes all brand supporting actions that employees exert voluntarily and they have introduced three core elements of BCB: willingness to help, brand enthusiasm and propensity for further development. Later studies have introduced other employee behaviours that support the brand strength, such as brand endorsement (conscious advocacy of the brand) and positive employee word of mouth (King & Grace, 2010; Piehler, King, Burmann, Xiong, 2016).

It is clear that positive employee word of mouth and brand endorsement are important in brand building and therefore it is essential to examine are CapMan's employees willing to endorse and speak positively about the CapMan brand to others as the company is operating private equity industry, where countless stakeholders are involved due to complex nature of the industry. Brand endorsement influences positively in many ways to the success of the business, but it has an increased significance in employer branding. Today, companies are struggling to find and retain top talent. Employees have become even more selective and company image and reputation is crucial when potential employees are assessing the employer. Employees have become more open and are actively sharing information about employers. Glassdoor and other websites where users can share reviews about employers have become a standard to check when assessing a potential employer. The brand identity is reinforced when employees are acting as brand advocates and delivering positive word of mouth. Thus, it is essential to study are the current employees of CapMan willing to endorse the brand in their networks and thereby contributing to the employer brand of CapMan.

Brand commitment has been considered as an antecedent for brand citizenship behaviour as it has been validated to have a strong and positive impact to employees' brand citizenship behaviour (Burmann et al., 2009). Brand commitment is a result of internal brand management which consists of brand-centred HR, brand-centred leadership and internal brand communication. It is empirically evidenced that internal brand management measures can significantly strengthen the brand. (Burmann et al., 2009). As brand commitment has been validated as a strong antecedent to positive employee brand behaviour and also to many other organisational benefits such as employee satisfaction and intention to stay (King & Grace, 2010), it is important to study how committed CapMan's employees are to the brand.

Many studies have highlighted the role of internal branding in creating positive brand performance among employees. Internal branding has found to have positive and significant impact on employees' brand identification, brand commitment, brand loyalty and on employees' brand performance. The objective

of internal branding is to ensure with different measures and techniques that employees act brand positively and deliver the brand values and promise to customers and stakeholders. (Punjaisri, Evanschitzky, & Wilson, 2009) Internal communication is one crucial element of internal branding and necessary for employees to be knowledgeable to demonstrate brand values in their daily work. Therefore, it is important to study how CapMan's employees are perceiving internal communication at CapMan and what is their level of perceived brand knowledge. Measuring employees' brand knowledge is important because it is a critical component in employee brand supporting behaviour. Sufficient brand knowledge is essential for employees to be able to act as brand advocates for the company (Thang et al., 2019). This information will be of great importance to the company, because in any company and especially in business to business setting, it is crucial that employees act in brand supporting way and deliver the unique value proposition in interactions with customers and other stakeholders (Kimpakorn & Tocquer, 2009).

Corporate culture has gained an emphasis in CapMan's recently renewed strategy and in research it is proven to have great impact also to employees' brand knowledge and commitment. The results of empirical study by Baumgarth & Schmidt (2010) prove that a brand-oriented corporate culture affects strongly to internal brand knowledge, internal brand commitment and internal brand involvement. Effective corporate branding is a result of brand-oriented corporate culture. Internal branding is one of the key tools in delivering the brand to the employees in order for employees to internalize the brand and act as brand champions for the company, which again reflects to the external public as brand-consistent experiences and strengthens the power of the brand.

1.1   Case company

CapMan is a leading Nordic private asset management and investment company. CapMan's objective is to build value for the enrichment of society by making investments in businesses, real estate and infrastructure. CapMan employs about 150 investment professionals internationally, has 6 core investment areas, over 200 investments in the Nordics, over 110 portfolio companies and assets in the investment portfolio and 3 service businesses. (CapMan, 2020a)

CapMan's mission is to build value for the enrichment of society. CapMan has over 30 years of experience in private assets. CapMan builds better organised, managed, and financially stable companies, which creates more jobs and innovations and contributes to the overall economic well-being. CapMan also invests in real estate and infrastructure which enhances the functioning of the society. (CapMan, 2020a)

CapMan started its operations 30 years ago with a focus on majority investments. During 30 years CapMan has expanded its operations to multiple investment strategies and service businesses. CapMan has focused on growth for the past three years as it has raised over € 1.5 billion in new capital under management for six different investment strategies and launched new products and services. CapMan has strengthened its customer base with new international customers and at the same time reinforced its relations with smaller customer segments. As the company is growing, people and culture are a key focus area in CapMan's renewed strategy, and its strategic goal is to attract and as well as to retain top professionals to the company. CapMan has many long-term employees but as the company has grown significantly in the last years, many new talents have joined the company as well. Of all CapMan's employees, 46 % have joined CapMan during the past three years. (CapMan, 2020b).

During the 30 years of the company's existence, CapMan has had a successful history of developing numerous companies, real estates and infrastructure and has contributed to the prosperity of the society. CapMan is one of the private equity pioneers in the Nordics and its vision is to be a Nordic private assets powerhouse that strives to be more than just an investor. CapMan wants to be a larger force in society and truly make a difference. Global trends support CapMan's strategy, as private asset market has tripled in size during the past 12 years and the market is further growing. (CapMan, 2020b).

CapMan has a vast number of various stakeholders and its brand is visible in many different contexts and situations. CapMan is considered as a private equity pioneer in the Nordics, it has grown strongly during the last years and it has more growth potential as private markets are growing. CapMan has recognised that people are its strongest asset and attracting top professionals is a competitive advantage for the company. To ensure the company's success in the future as well, its key strategic theme is to attract and retain top talent to CapMan. Corporate culture and brand play a significant role for employees when evaluating their ideal employer and a good brand reputation attracts top professionals. Therefore, it is essential to know do CapMan's employees feel that internal communication provides them with necessary information to meet the brand's expectations, in order for them to build and enhance stakeholders' positive and consistent perceptions of CapMan. This study will also examine how prone CapMan's employees are to endorse the brand in their social networks, which also affects to CapMan's employer brand.

As employee perceived brand knowledge is necessary for employees to implement the brand in their daily work, it is important to know do employees perceive that they have sufficient brand knowledge to act as brand ambassadors. Brand commitment is a strong antecedent for brand citizenship behaviour and produces many other benefits such as job satisfaction and intention to stay within

the company (King & Grace, 2010), therefore the level of CapMan's employees brand commitment needs to be examined in order to support and achieve the key strategic goals of the company.

CapMan's core values are high ethics, active ownership and dedication. High ethics reflect integrity and transparency. CapMan wants to be a reliable partner and responsible owner respecting all its stakeholders. At CapMan, long-term impacts of actions are always considered. Active ownership means that CapMan delivers innovative solutions with hands-on approach and creates long lasting value by working closely together with all stakeholders. Dedication reflects entrepreneurial drive that many employees of CapMan share. Continuous development and learning is encouraged at CapMan. (CapMan, 2020a).

As stated before, CapMan's new strategy has put an emphasis on corporate culture and attracting and retaining top talent. CapMan has launched a new People Strategy which has four key themes: One CapMan Family, Active Leadership, Home of Top Performers and Effective Remuneration. CapMan's Head of People and Culture describes employees of CapMan as entrepreneurial and ambitious. At the same time the employees of CapMan are easily approachable, relaxed and straightforward with a high appreciation for colleague's expertise. The corporate culture reflects low hierarchy and decisions are made transparently. CapMan's employees are also active in spending time with colleagues outside of office hours, as they arrange leisure activities regularly, which forsters positive team culture. (CapMan, 2020b).

The author of this study worked as communications trainee at CapMan in 2019 and noted that there are several internal communication and branding techniques and tools used at CapMan. Employees are regularly informed and updated with important information through online internal communication channels. Enterprise social networking services are also used for internal communication, where employees can communicate with each other. Office meetings are held regularly for sharing information concerning the whole company. CapMan has also used videos with messaging demonstrating the brand internally and externally. CapMan sends regular press releases, is present on selected social media sites and shares news on its website and social media about latest updates in story telling format that reflect CapMan's strategy and brand.

New hires go through an orientation program where CapMan's values, brand, people strategy and company culture are explained, which supports employee engagement. Brand guidelines including visual guideline kits are communicated to new employees and are available for everyone. To increase employee satisfaction, leadership skills are developed actively at CapMan and effective remuneration and rewarding are taken into consideration. Employees' efforts are recognised, and special events are arranged regularly to celebrate

accomplishments. In 2019 CapMan wanted to concentrate on wellbeing at work and launched "CapMan Feel Good" coaching group for employees. Employee kick-offs and get-togethers are arranged regularly to foster positive team culture.

1.2   Research questions

The objective of this thesis is to study are CapMan's employees perceiving internal brand communication positively at CapMan, what is the extent of their employee perceived brand knowledge, how committed they are to the brand and whether they are willing to endorse the CapMan brand to others. This study also seeks out to examine whether CapMan's internal brand communication measures have been effective and produced positive behavioural outcomes: employee perceived brand knowledge, brand commitment and brand endorsement. The objective is also to study does employee perceived brand knowledge produce brand commitment and brand endorsement among employees of CapMan and do high levels of brand commitment produce brand endorsement among employees of CapMan.

The goal is to deliver information to the management of CapMan how their employees perceive internal brand communication at CapMan, what is their brand knowledge and commitment concerning CapMan's brand and are they acting as brand ambassadors for the company in terms of brand endorsement. Based on this knowledge the management receives valuable information of the current stage of their internal brand management and communication. With the information provided with this study, the company can develop their internal branding processes and mechanisms for delivering clear and authentic brand messages internally and externally. The purpose of the study is to deliver measurable data to the company that can easily be compared to possible new internal branding studies in the future.

It has been found that internal branding is positively linked with employees' attitude towards the brand and their brand supporting behaviour. Brand training and efficient internal communication are they key mechanisms in turning the employees as brand champions for the company. (Punjaisri & Wilson, 2007). Therefore, it is essential to know the level of CapMan's employees brand knowledge and how they perceive internal communication in order to measure how effective internal branding has been to date at CapMan.

The research questions of this study are as follows:

RQ1. Do positive perceptions of internal brand communication impact employee perceived brand knowledge?

RQ2. Do positive perceptions of internal brand communication impact employees' brand commitment?

RQ3. Do positive perceptions of employee perceived brand knowledge impact employees' brand endorsement?

RQ4. Does brand commitment impact employees' willingness to endorse the brand?

RQ5. Do positive perceptions of employee perceived brand knowledge impact positively to employees' brand commitment

RQ6. Do positive perceptions of internal brand communication impact employees' brand endorsement?

1.3   Research approach and method

To meet the objectives of the study, quantitative research design is used, and data is collected through an online survey. The chosen research design and method is justified in the methodology chapter. The survey measures employees' perceptions on internal brand communication, brand knowledge, brand commitment and referral willingness in terms of quantity. The survey was sent to the employees of CapMan in Finland, Sweden, Denmark, Luxembourg and the United Kingdom, altogether to 122 employees in June 2019 and 65 responses were given. Because this is a case study by nature, the sample size consisted only of the employees of the case company CapMan.

Based on the research questions and existing theories about internal branding, the hypotheses were developed to answer the research questions and to test and support existing theories. These hypotheses form the conceptual framework for the study.

The structure of the study is the following. First is the theoretical framework which includes literature review of corporate branding, internal branding, brand commitment and brand citizenship behaviour. The next chapter is the methodology chapter, which will discuss the data and methodology of this study. The results and analysis of the study will follow the methodology and the last chapter is the conclusions of the study.

2   THEORETICAL FRAMEWORK

The following chapter introduces the theoretical framework of the study. The framework comprises of previous research of corporate branding, internal branding, brand commitment and brand citizenship behaviour. This theoretical framework forms the basis for hypotheses development in this study. Proposed hypotheses are presented in this chapter.

2.1   Corporate Branding

Corporate branding has been an important subject of empirical research for decades. A strong and positive corporate brand has several benefits: it is an asset in the increasingly competitive market, it adds value to products and services, contributes to profit margins, protects from competitors and attracts top professionals (Balmer, 1995). Strong corporate brands are rare and difficult to copy because they are a combination of unique brand components, such as assets and skills. Corporate branding is a brand management strategy and practice that allows companies to pursue a unique, distinct and consistent corporate identity. Abratt & Kleyn (2012) argue that corporate brand consists of two segments: creation and management of the corporate brand by the company and stakeholders' perceptions through their experiences with the brand. When stakeholders experience and relate to the brand, they have the opportunity to evaluate the brand and build their brand image based on these experiences. (Abratt & Kleyn, 2012).

Several scholars have studied corporate branding and other concepts of corporate brand management, such as corporate identity, corporate reputation and corporate image for the last decades (e.g.Balmer, 1995; de Chernatony, 1999). Many theoretical frameworks have been developed to understand corporate branding issues and challenges in public and private sectors. (Abratt & Kleyn, 2012).

One of the essential aspects of corporate brand is brand identity. Brand identity sets the brand apart and is concerned with how employees make the brand unique (Gray & Balmer, 1998; de Chernatony, 1999). Gray & Balmer (1998) state that corporate identity's key components are the company's strategy, philosophy, culture, and organizational design. According to de Chernatony (1999) brand identity is a sum of several dimensions: vision and culture, which steer the brand's positioning together with personality and relationships, which are all reflected on stakeholders' actual and aspirational self-images.

Vision defines the brand's essence, why does it exist and where it is heading in the future. Vision includes brand's purpose and values, which should be communicated clearly and inspiringly to employees to help them to understand, internalize and support the desired values. The corporate values are usually associated with the corporate brand and it is essential to train employees about these values and what it means in their work. Insufficient internal communication about brand and corporate values can result in disharmony between the organization's desired brand values and the values perceived in interactions with the employees. (de Chernatony, 1999).

The organization's culture comprehends employees' values which guides their behaviour. Organization culture is an essential part of brand identity, which has an impact on corporate brand values and guides employee behaviour. (de Chernatony, 1999; de Chernatony & Harris, 2001). Brand positioning explains what the brand is, what is its offering and to whom. Brand positioning needs to be coherent with brand values and vision. Brand personality describes the emotional characteristics of the brand which emerge from brand's core values. Brand positioning and personality help customers and stakeholders to form an image of the brand and evaluate how the brand could be helpful for them (de Chernatony, 1999).

The relationship between the brand and customers is reciprocal and employees behaviour has a great effect on these relationships. The final component of brand identity is to identify how the brand is presenting itself to stakeholders. The brand identity should be presented in a way that it appeals to stakeholders' aspired characteristics and their sense of self. Stakeholders value the symbolic meanings of the brand and want the brand to express themselves to others. In addition to advertising and other communication efforts, stakeholders evaluate the brand's symbolic meaning through interactions with the employees. When internal brand resources are managed successfully, it should form a good brand reputation to stakeholders. (de Chernatony, 1999; Harris & de Chernatony, 2001). De Chernatony's brand management model is illustrated below in Image 1.
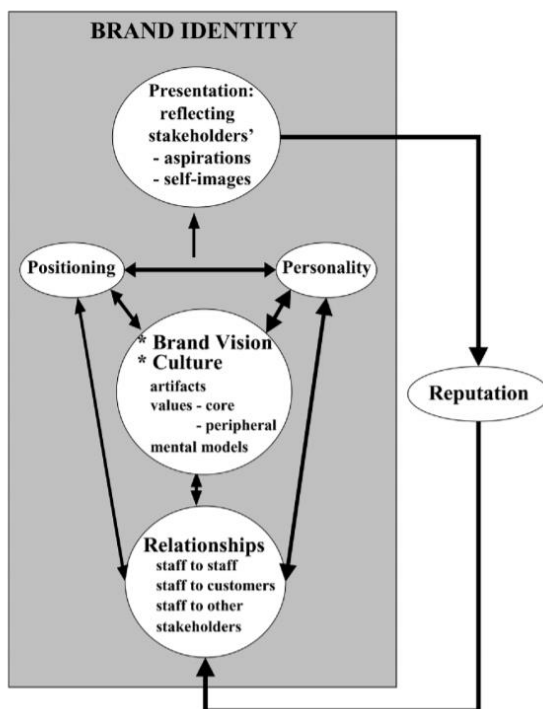
Image 1 Brand identity (de Chernatony, 1999)

Brand image is an immediate image that stakeholders have of the organization among its competitors. Brand image is reflecting current and changing perceptions, while brand reputation is more stable and is a combination of the brand's past and current actions over time. Brand reputation comprises stakeholders' value evaluations of company attributes and is an indication of consistent brand performance. Brand reputation develops gradually and is reinforced with communication (Gray & Balmer, 1998; de Chernatony, 1999). Brand reputation is formed in stakeholders' minds based on their evaluation of the brand and its ability to provide value to stakeholders over time. Brand image and reputation among stakeholders are important to companies and companies strive to have a positive reputation among stakeholders because it results in positive stakeholder engagement, business profitability and maintains competitive advantage. Stakeholders' evaluation of brand reputation consists of several dimensions: performance, products and services, citizenship, service, innovation, workplace and governance. (Abratt & Kleyn, 2012).

Corporate brand, corporate identity and corporate reputation are all valuable company assets and strategic resources. In addition to de Chenatony's (1999) views on corporate brand identity, Abratt & Kleyn (2012) recognize that the corporate brand consists of two aspects: company's own expression and stakeholders' own perceptions of the brand identity. Corporate expression concludes all actions of the organization to express its corporate identity to stakeholders. Corporate expression is a strategic choice set by the management and it includes the brand promise, brand personality, visual brand concept and its communication. The other component of corporate branding is stakeholders'

own image of the corporate brand, which is formed through their experiences and interactions with the brand. In these touchpoints the stakeholders will evaluate has the brand fulfilled its brand promise. The corporate identity hereby comprises of two parts and is concerned with what the company currently is and what it strives to be in the future. The strategic choices of the company include its vision, mission, values, corporate culture and the corporate expression. (Abratt & Kleyn, 2012)

Even though traditional corporate branding theories recognize that stakeholders form their own images of the corporate brand, the corporate brand identity has been seen to be managed and controlled by the company management. New research recognises corporate branding as a more stakeholder-influenced and changing process in which many stakeholders create brand meanings and share their own perceptions in B2B context. While managers can have influence on the corporate brand, stakeholders have more influence in the development of the brand as they are actively sharing their own perceptions. (Iglesias, Landgraf, Ind, Markovic, & Koporcic (2019).

Today's corporate brand creation in B2B context is dynamic and ongoing and involves many stakeholders internally and externally. The growth of online communities and social media have created a greater possibility for stakeholder interaction and involvement as stakeholders have more possibilities to discuss, communicate, engage and challenge the brands. (Iglesias et al. (2019). In order to build a strong, authentic brand identity in today's business environment, companies should have active dialogue with their stakeholders to increase their engagement with the brand. A succesful brand is meaningful and relatable for its stakeholders and therefore brand building should be interactive and involve stakeholders in the process, for example in service development. The building of a strong, authentic and relatable brand identity in today's environment requires constant interaction and feedback from brand's target groups. Thus, companies should actively engage with customers to co-create brand value. (Chang et al., 2018; Törmälä & Gyrd-Jones, 2017). This means that managers should internalize a new brand management model and not persistently try to preserve the original brand identity. Instead, they should allow the brand identity change with the flow while still attempting to preserve the essential core values. (Iglesias et al., 2019).

2.2   Internal Branding

According to Punjaisri & Wilson (2007) internal branding is a brand management technique that aims to create strong corporate brands. Many researchers have studied internal branding and all of them share the idea that internal branding is an approach with objective to employees understand and internalize the brand values, identify with the brand and become brand committed. These factors should lead to a result that employees communicate aligned brand messages and values to customers and other stakeholders.

When implemented successfully, internal branding increases employee commitment and loyalty to the brand and turns employees as brand advocates who will deliver consistent brand values and promises in all touchpoints with customers and stakeholders. Internal marketing communication is one of the key instruments in internal branding, but certainly not a sole method. Internal branding is a joint effort between corporate marketing, management and HR. (Punjaisri & Wilson, 2007).

In service industry, such as in financial services, the brand is even more important considering the intangibility of the product. A financial service brand leans heavily on the company culture and how employees and management work. Thus, the whole company is involved in brand building. Customers' perceptions on the brand rely heavily on social encounters with employees, thus the consistent quality of the service is required. The corporate culture defines the organization's values and encourages preferred form of employee behaviour. (Papasolomou & Vrontis, 2006).

Brand promise is usually set by management and it reflects brand values and how the brand wishes to position itself in the marketplace. Internal communication about the brand promise is essential for employees to be aware and knowledgeable to fulfil the brand promise in their work. A customer-focused service culture, highly coordinated organisational processes (staff development and training) are the basis for corporate environment in which the employees share the values and act as brand advocates. In internal marketing, it is essential to recognise the crucial role of employees in brand building. (Papasolomou & Vrontis, 2006). Employees are an essential part of a service brand and responsible for fulfilling the brand promise to customers and stakeholders. To encourage brand supporting behaviour, employees need to understand, identificate themselves with and commit to the brand and they should be treated as internal customers. (Vallaster & De Chematony, 2005). A recent study of Bailey, Albassami, & Al-Meshal (2016) has also proven that internal marketing affects positively to job satisfaction and commitment to the employer.

Based on the above mentioned literature, following hypothesese are proposed:

H1. Internal brand communication impacts positively to employee perceived brand knowledge

H2. Internal brand communication impacts positively to employee affective commitment

H3. Employee perceived brand knowledge impacts positively to employees' brand endorsement

Papasolomou & Vrontis (2006) recognise four key elements of internal marketing in financial industry. In their study within UK retail bank industry, they found out that implementing these four elements simultaneously, UK retail banks aimed to create a service minded and customer oriented corporate culture. These banks have noted that employees are central element in brand building as their brand consistent behaviour strengthens the corporate brand and makes the brand unique. Internal marketing activities help the banks to align employee behaviour with brand values.

The first is the notion of treating employees as internal customers. This means that organisation and management should treat their employees as their customers, with respect and care. High internal service standards are another important element of internal marketing. Organizations need to set high-performance standards and individual, clear targets for employees to ensure service quality. The third element of successful internal marketing is training and development programs. Training and development should focus on internal standards and educating employees on high service culture. The aim of the training programs should be that customer orientation starts within the company and everybody should be encouraged to cherish good internal customer service. Employees should internalize that their colleagues working in various functions are internal customers as well. The last part of the four elements is the fair rewarding of employees for their achievements (Papasolomou & Vrontis, 2006).

Internal branding and employer branding terms are both used with various definitions and some overlaps in marketing and communication research. Miles & Glynn Mangold (2004, p. 68) define employer branding as "the process by which employees internalize the desired brand image and are motivated to project the image to customers and other organizational constituents" which basically has the same definition as internal branding is defined by many researchers. According to Foster, Punjaisri, & Cheng (2010) internal branding focuses on rooting the brand among employees while employer branding ensures the organization recruits the right people. Liu, Ko, & Chapleo (2017) state that internal branding refers to actual internal communication and training measures which enhance employees' knowledge and internalization of the brand. According to Miles & Mangold (2004) the employee branding process reinforces the brand images among stakeholders and provides competitive advantage for the company through employees, because successful employee branding process

results in situation where employees will spread consistent and positive brand messages to all stakeholders. Miles & Mangold (2004) present the employer branding process in the figure below.
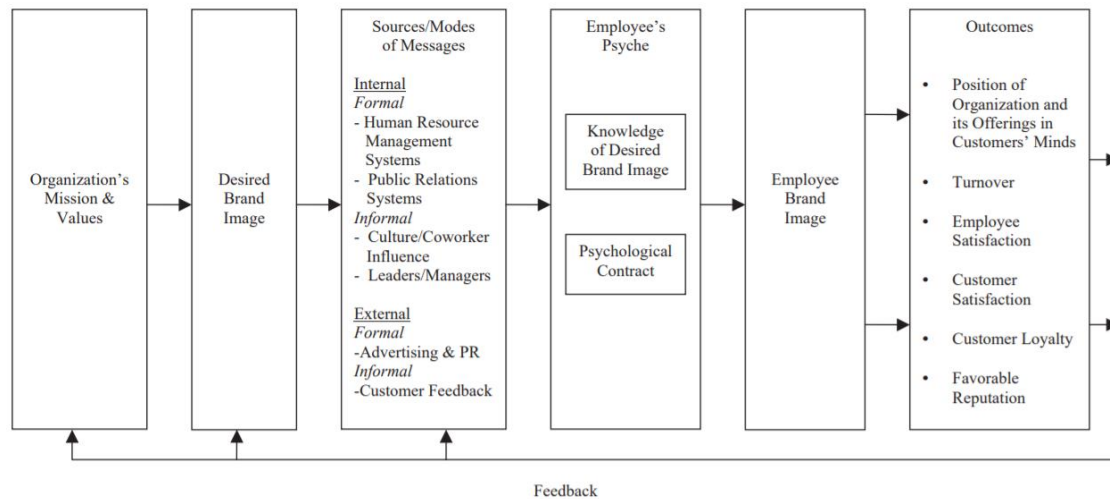

Image 2 Employer branding process (Miles & Mangold, 2004)

As the Image 2 by Miles & Mangold (2004) indicates, organization's values and mission are the starting point of the whole employer branding process and the brand promise is formed based on these values. Successful internal communication is proactive, continuous and consistent and states clearly the mission, vision, brand values and promise. This will allow the employees to internalize the desired brand image and reinforce the psychological contract between the organization and the employee. Pearce & Rousseau (1998) define the psychological contract as a belief which employee has of the mutual relationship and obligations between employer and employee. Psychological contract is based on the perception of a promise, e.g. employment agreement but is an unwritten set of beliefs, assumptions and expectations in employees' minds about the work relationship. Psychological contract is a source of motivation and important in employer branding process. If an organization holds to their part of the psychological contract, employees are likely to have great trust and motivation for their employer, which will lead to better customer service.

Even though the psychological contract is an individual perception, organizations can shape these perceptions. With consistent and frequent communication about mission and value-based content, the organizations can build employees' brand awareness and strengthen the psychological contract. This will eventually lead in employees projecting the desired brand image to others. Successful employer branding has also many other benefits. It reduces employee turnover, enhances employee satisfaction, increases customer satisfaction and loyalty and a good reputation among stakeholders. (Miles & Glynn Mangold, 2004). While organizations can strive to reinforce the psychological contract with consistent and frequent communication, it is not a

sole method to uphold the psychological contract and turn employees as brand advocates. Trust between employer and employee is an important part of psychological contract and it includes many aspects in addition to open, frequent and transparent communication. Employees evaluate many aspects of the employer and the working relationship, and they need to be generally satisfied with the employer to deliver positive brand messages in their networks.

The model of Miles and Mangold (2004) suggest that when employees project the desired brand image to others, the outcome is favourable reputation among stakeholders. Positive employee word-of-mouth is very important in shaping the brand perceptions of stakeholders and is likely to contribute to the success of the brand. However, as explained in the corporate branding chapter, brand reputation is a sum of all the evaluations the stakeholder has of the company in the longer term. Therefore, a favourable brand reputation involves many other aspects in addition to employee word-of-mouth and employee advocacy.

2.3   Brand commitment

Brand commitment relates to employees' psychological attachment to the brand and to the extent to which employees feel a sense of identification and involvement to the brand they work for. This commitment influences positively to employees' willingness to exceed the expectations for brand objectives and to act as brand advocates for the brand. (Burmann, Zeplin, Riley, 2009; Kimpakorn & Tocquer, 2009). Brand commitment is a significant indicator to observe, as it measures the genuine motivation of employees to work for the brand, and not only their knowledge and ability to act as brand supporters. (King & Grace, 2010).

Burmann et al. (2009) argue that employees' brand commitment consists of brand identification and internalisation of the brand. They discuss that brand commitment is a result of HR, brand communication and brand leadership added with culture fit and structure fit. According to their theory, strong brand commitment and brand citizenship behaviour cannot be established with single measures but require consistent and long-term efforts and commitment from many organisation functions, such as HR, communication and management. If an organization strives for brand commitment and advocacy, it should have deep-rooted strategy and commitment to brand building starting from the management level that assures the long-term branding efforts in different parts of the organization.

If the employees represent the brand in service encounters with customers and other stakeholders, their brand commitment should be something the management pursues as it has several advantages for the organization (Kimpakorn & Tocquer, 2009). As the study by Burmann et al., (2009) shows

below in Image 3, brand commitment has direct causal impact on brand citizenship behaviour. Brand commitment causes brand citizenship behaviour, which include many positive behaviour models for the business, such as willingness to help, brand enthusiasm and propensity for further development.
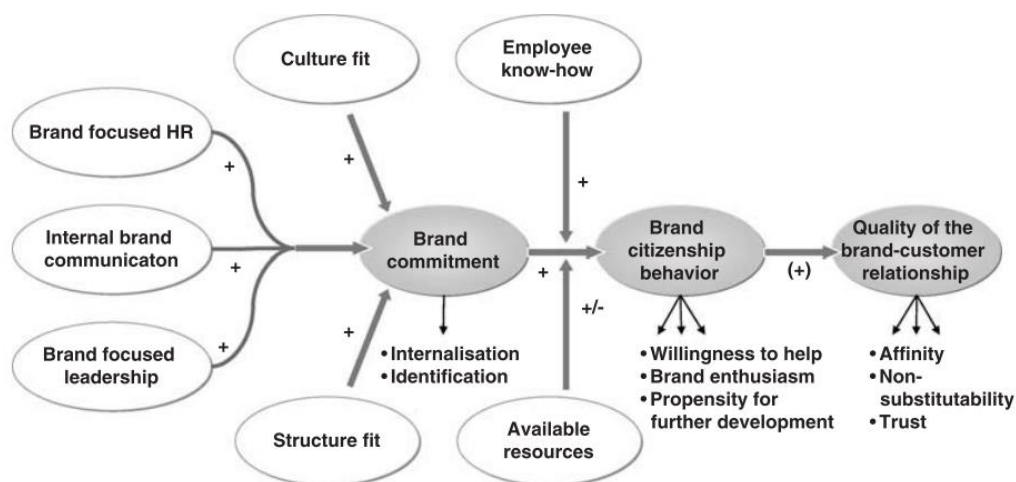
Image 3 Internal Brand Management Model (Burmann et al., 2009)

A study by Kimpakorn & Tocquer (2009) on employees' commitment to brands in service business demonstrates that employees' brand commitment is strongly dependent on the following factors:

1. The employees' perceptions regarding how customers perceive the brand.
2. How employees perceive the employer brand of the organization, which consists of several factors: job satisfaction, job characteristics, rewarding, communication, leadership and trust in supervisors, promotion satisfaction and how employees perceive the organization values.

Consequently, forming employees' overall perceptions of the employer brand seem to be the most effective way of developing the employees' brand commitment. Like Burmann et al. (2009), also Kimpakorn & Tocquer (2009) underline the importance of HR in brand communication with employees. Their study also highlights the service quality experienced by the customers as a source of motivation for employees to act in brand supporting way. Kimpakorn & Tocquer (2009) recommend the following managerial implications based on the empirical evidence of their study:

1. Discuss and engage with employees to learn their needs and ensure they are fulfilled or even exceeded.

2. Establish high-quality service culture. Employees become more brand commitment when the brand they work for is providing exceptional customer experiences.
3. Invest in training of brand values and service quality expectations to employees. Communicate customer satisfaction survey results to motivate employees.
4. Remember that employees' brand commitment is a joint effort of human resources management, communication and leadership.

Brand commitment is recognised as a result of cross-organisational efforts among other researchers as well and internal marketing has been a key element in many researches. King & Grace, (2010) note that employees' commitment to the organisation increases when they are provided with relevant knowledge for successful execution of their role. A study by Bailey et al. (2016) has proven that among bank employees, internal marketing has highly significant positive effect on job satisfaction and employee commitment. They suggest that management needs to create an integrated approach to internal marketing with the objective of creating a work environment with high level of employee job satisfaction and commitment.

There are several valid and reliable scales used to measure commitment but probably the most commonly used and referred is the one of Allen & Meyer (1990). They suggest that organizational commitment consists of three different components: affective commitment, continuance commitment and normative commitment. Normative commitment is derived from an idea that employees don't leave the company because they have a sense of obligation to stay, e.g. due to investments company has made in recruiting, training and rewarding of the employee. Continuance commitment occurs when employees feel that they cannot leave the organization because of the losses it could cause, e.g. financial loss, social loss or lack of new employment. Affective commitment is the strongest determinant of employee attachment to the company, as it relates to employee's genuine commitment to the organisation and has proven to have the greatest benefits for the organization. Employees who are affectively committed to the company, relate with the company values and objectives, have high job satisfaction, are loyal to their employer and prone to act as brand ambassadors for their employer and therefore affective commitment is used as a measurement construct in this research. (Allen & Meyer, (1990), Allen & Meyer, (1996), Bloemer & Odekerken-Schröder (2006), Meyer, Stanley, Herscovitch, & Topolnytsky (2002).

Based on the literature on this chapter and previous sections, following hypotheses are proposed:

H4. Employees' brand commitment impacts positively to employees' brand endorsement

H5. Employee perceived brand knowledge impacts positively to employees' brand commitment

2.4   Brand citizenship behaviour

Key determinants of strong brands among employees are brand commitment and brand citizenship behaviour. These elements are crucial in internal brand management, which consequently affects to overall brand strength. As described in the previous chapter, brand commitment refers to employees' psychological attachment to the brand and is a strong determinant of brand enhancing behaviour, such as employee's voluntary urge to exceed the expectations the organisation has for the role, and work extra hard to reach the company goals. Brand citizenship behaviour has roots in organizational research and the term is stemmed from organizational citizenship behaviour. (Burmann et al., 2009), (Piehler et al., 2016).

Brand citizenship behaviour refers to employees' brand consistent behaviour that further strengthens the brand. Since multiple employee behaviour actions are required to reinforce the brand, a multifaceted viewpoint on brand citizenship behaviour is appropriate. Burmann et al., (2009) suggest that Brand Citizenship Behaviour consists of three dimensions: willingness to help, brand enthusiasm and propensity for further development. (Burmann et al., 2009). Willingness to help refers to employee behaviour which has many positive outcomes for the company. This type of brand citizenship behaviour includes positive, helpful behaviour towards internal and external stakeholders as well as engaging with responsibilities outside of one's own job description. Willingness to help in brand citizenship behaviour means helpful behaviour: positive attitude, friendliness, helpfulness and empathy towards internal and external customers and taking responsibility for tasks outside of employee's own area. Brand enthusiasm refers to showing extra effort and enthusiasm to branding related behaviour. (Burmann & Zeplin, 2005). Piehler et al., (2016) add brand endorsement, brand development and brand compliance to elements of BCB. Brand endorsement means conscious brand advocacy and brand development the actions to develop customer's brand experience. The third dimension is brand compliance, which means employee's obedience with brand rules and instructions.

Many scholars have studied the antecedents of brand citizenship behaviour. Brand commitment is one antecedent to brand citizenship behaviour that appears in several studies (e.g. in Burmann & Zeplin, 2005, King & Grace, 2012). Brand identification is another antecedent that occurs in internal brand management studies. Brand identification refers to employees' feeling of belonging and identification oneself with the brand values. Brand understanding is also necessary for brand supporting behaviour. Employees need to understand their

organization's brand and what it means in their role to be able to act in brand supporting way. (Piehler et al., 2016). Scholars have also studied the importance of brand knowledge in brand citizenship behaviour. With product brands, customers evaluate their expectations through tangible product features but in case of service brands, customer's expectations are evaluated in their encounters with employees and their behaviour. Brand promise can be delivered to customers and other stakeholders only if employees have knowledge about the brand values and are capable to live the brand according the company's expectations (Xiong et al., 2013). Therefore, brand knowledge must provide employees with training on the benefits of the brand and the associated emotional experience (e.g. what and how service is delivered to customers). With brand knowledge employees can deliver the brand value proposition successfully to customers and stakeholders. (Kimpakorn & Tocquer, 2009; Nguyen et al., 2019).

In addition to brand citizenship behaviour, a term employee brand building behaviour has been used in research. Morhart et al. (2009) define employee brand building behaviour as employees' contribution to organization's customer-oriented brand building efforts. Frontline employees working for a service brand have a crucial role in customer contacts. Frontline employees make the service brand humane and help customers to build emotional connections and long relationships with the brand. Long relationships between customers and the brand representatives are fruitful to organizations as long, close and loyal relationships reinforce the brand and are likely to arouse positive word-of-mouth. However, if customers must confront constantly changing personnel, they have difficulties to build a deeper relationship with the brand.

Especially in the case of service businesses, customer's brand experience depends on front line employees' behavior. There are two types of employee brand building behaviour: in-role and extra-role behaviour which is concerned with how much effort employees exert towards their role as brand representatives. In-role behaviour refers to employees fulfilling their expected or recommended role by employer as brand representatives and following brand guides, rules and instructions. Extra-role behavior refers to employee's pro-active, eager attitude to brand building actions for the good of the corporate brand and the company that goes above the scope of predefined tasks and roles. This category includes participation in branding efforts of the company (in duty) and positive word of mouth (off duty). Employees that are actively involved in branding efforts (e.g. by communicating internally about received customer feedback in order to develop company operations) bring great benefits for a company's brand management. Employees' positive word of mouth outside the job is a highly appreciated form of attracting and retaining, for example, actual and potential customers and employees (Morhart et al., 2009). Compared to brand-generated content, customers and other stakeholders have more trust in brand information provided by someone they know (King et al., 2012). Brand endorsement from

employees have several benefits for the organization. Successful employee WOM can generate additional revenue for the company. The cost of customer acquisition through positive WOM is lower than marketing campaigns and other marketing efforts to attract new customers. (Morokane et al., 2016)

Based on the literature in this and previous chapters, following hypothesis is proposed:

H6. Internal brand communication impacts positively to employees' brand endorsement

A recent study by Nguyen et al., (2019) proves that employees process the brand information through organizational leadership and internal marketing and then make a cognitive decision how to reflect this information and guidance in their behaviour. They studied how organizational tenure affects to the mediating role of brand knowledge on brand citizenship behaviour and found that longer-term employees are less prone to adopt brand knowledge through internal marketing and leadership. New employees are usually motivated and eager to fulfil the organization's and their manager's expectations and brand supporting behaviour is natural for them if satisfied with their employer. Longer term employees have a long history with the organisation and might have various reasons (e.g. breach of psychological contract) not to be as motivated for brand building as colleagues with shorter tenure. Thus, it is important to use different approaches with employees who have more years of organizational tenure versus new employees and find tools to motivate also long-term employees.

2.5 Research model

Based on the theoretical framework of this study and proposed hypotheses in previous sections, the following research model is presented in figure 1 below.
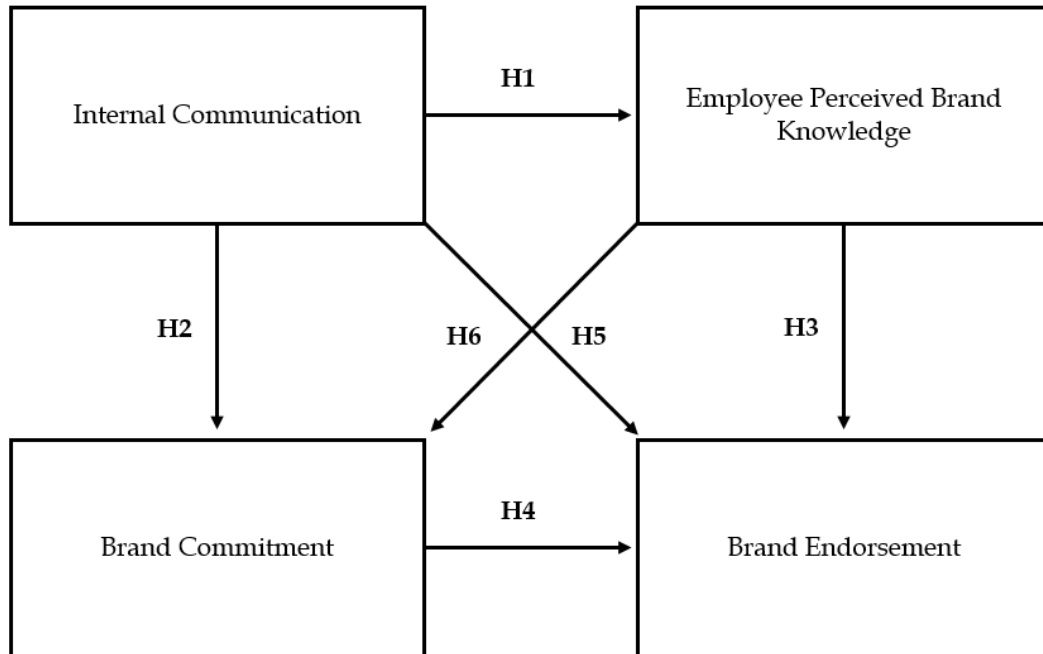

Figure 1 Research Model

3 METHODOLOGY

This chapter presents the methodology, data collection and practical implementation of the study.

3.1 Quantitative research

In this study quantitative research design was chosen in order to meet the research questions and objectives. The objective of quantitative research is to generate, expand or refine existing theories by examining hypotheses and relationships between variables. Quantitative research method uses numerical measures and statistical analysis techniques, and researcher's role is to analyse the data explicitly and to build evidence to support existing theories and hypotheses (Allen, Titsworth & Hunt, 2009; Leavy, 2017; Saunders et al., 2009).

The study's objective is to describe the characteristics of a particular group as it exists at present. In this case the particular group is the employees of CapMan. At the same time this study is hypothesis-testing research study because it tests hypotheses of a causal relationship between variables. The survey method was selected because the objective of the study is to obtain information about employees' perceptions on internal communication and branding systematically. (Kothari et al., 2004).

Quantitative research design is the most suitable method to meet the objectives of the study as it is a method that provides a general picture of the relationships and outcomes between the variables (Vilkka, 2007, p.13). Another objective is to provide numerical data to the management of CapMan of employees' perceptions on internal brand communication, brand knowledge, brand commitment and willingness to endorse the brand.

In order to gain the most comprehensive picture of the perceptions of whole staff of CapMan, a survey was selected as a data collection method. Survey is a data collection method in which the format of the questions is standardized. Standardization means that the same questions are asked in the same order and in the same way from everyone responding to the survey. Survey is used when the observation unit is a person and it measures matters concerning the person's opinions, attitudes, characteristics or behaviour. Survey is used as a data collection method when there is a large amount of persons to be studied. (Vilkka, 2007, p. 28). The objective if this thesis is to measure CapMan's employees opinions, attitudes and behaviour and there is a relatively large amount of persons to be studied, as the whole staff is included to gain the most

comprehensive picture of their perceptions on internal branding. With survey method, the case company results will likely be more comprehensive compared to conducting interviews among employees, since it is easier to gather more data among the employees with a survey. The survey delivers quantitative data, which will give more comprehensive results of the perceptions of employees on a broader scale. The results will also be easily comparable for possible future studies in the company.

3.2   Data collection and practical implementation

Data was collected in form of an online self-completing survey in early June 2019. The survey was sent to employees of CapMan in Finland, Sweden, Denmark, Luxembourg and the United Kingdom, altogether to 122 employees and 65 responses were given. The survey was filled anonymously, thus no individuals could be identified. Demographic questions included respondent's age, working years at CapMan and gender. All demographic questions were optional. The country of employment had to be omitted because otherwise the answers would have possibly led to identification of respondent indirectly. Because the data was anonymous, it is no longer considered to constitute personal data and is not subject to data protection regulations (Office of the Data Protection Ombudsman, 2020). Survey was preliminary tested among four employees at CapMan. The survey was made and sent to the employees with a software program called Lyyti, which is an online survey tool used at the case company. The survey was sent in English because it is the corporate language of the company and a short cover letter was included. In the beginning of the survey, the term brand promise was explained, which was used in the first two questions of the survey:

1) CapMan communicates its brand promise well to its employees.
2) CapMan communicates the importance of my role in delivering the brand promise.

3.3   Measurement

All measurement items were derived from previous literature, which means that all measurement items were measured through validated scales. Internal communication, employee perceived brand knowledge, brand commitment and brand endorsement have been studied in existing literature and therefore it was possible to adapt the measurement constructs on previous peer-reviewed studies.

The research data was collected through an online survey using a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree) (see

Appendix 1). In total, 20 items were chosen to represent internal communication, employee perceived brand knowledge, affective commitment and brand endorsement. Internal brand communication was assessed with six items from Garas, Mahran, & Mohamed (2018). Employee perceived brand knowledge was measured using four items by Xiong, King, & Piehler (2013) that were partly adapted from King & Grace (2010). Brand commitment was captured with six items by Meyer & Allen (1997) and brand endorsement was measured with four items from (Xiong et al., 2013).

The measurement items were as follows (see also Appendix 1).

Internal Communication	
IC1	CapMan communicates its brand promise well to its employees.
IC2	CapMan communicates the importance of my role in delivering the brand promise.
IC3	Internal communications provide all the essential information for me to perform the service according to the brand's expectations.
IC4	The brand's mission and its promise are constantly reinforced through internal communications.
IC5	My manager regularly meets all employees to report about issues relating to the whole company.
IC6	My manager regularly gives me feedback about issues affecting the work environment.
Brand Knowledge	
BK1	I know how to live our brand in my daily work.
BK2	I know how to act brand consistent in my daily work.
BK3	I know how to implement our brand into my daily work.
BK4	I know how to deliver our brand promise in my daily work.
Brand Commitment	
BC1	I would be very happy to spend the rest of my career with CapMan.
BC2	I feel as if CapMan's problems are my own
BC3	I feel I belong to CapMan
BC4	I feel emotionally attached to CapMan
BC5	I feel like "a member of the family" at CapMan
BC6	CapMan has a great deal of personal meaning to me
Brand Endorsement	
BE1	I say positive things about the organization I work for to others.
BE 2	I would recommend the organization I work for to someone who seeks my advice.
BE3	I enjoy talking about the organization I work for to others.
BE4	I talk positively about the organization I work for to others.

Table 1 Measurement items

4   RESULTS AND ANALYSIS

This chapter presents the data results and analysis of the research model.

4.1   Data Analysis

The data collected with online survey program Lyyti was first exported to Microsoft Excel. In Microsoft Excel the data was prepared, and the variables were coded for the analysis phase. The data was analysed in IBM SPSS Statistics. The final part was the confirmatory factor analysis which was implemented through partial least squares structural equation modeling (PLS-SEM) in SmartPLS 3.

4.2   Descriptive statistics

The survey was sent to 122 employees and 65 responses were given in total. Demographic questions included respondent's age, working years at CapMan and gender. The country of employment had to be omitted because otherwise the answers would have possibly led to identification of respondent. This was decided because the same survey included also research questions about compensation, intention to stay and other sensitive topics that were part of another research. All the demographic questions were optional because of the above-mentioned issues.

62 respondents had filled in their gender and among these respondents 53,2 % were male and 46,8 % female. Among 64 respondents who had given their age, the majority (34,4 %) were 30-39-year-old. 62 respondents had informed their working years at CapMan and the most respondents had worked at CapMan 1-3 years.

Age	N	%
20-29 years	18	28,1
30-39 years	22	34,4
40-49 years	14	21,9
50-59 years	9	14,1
over 60 years	1	1,6
Total	**64**	

Working years at CapMan	N	%
0-12 months	15	24,2

1-3 years	21	33,9
3-5 years	6	9,7
more than 5 years	20	32,3
Total	**62**	

Gender	**N**	**%**
Female	29	46,8
Male	33	53,2
Total	**62**	

Table 2 Demographic statistics

4.3 Frequencies

Because this is a case study for a company it is appropriate to report frequencies among the variables. As stated by Longest (2012), for variables with limited categories the best way to gain information how the variables are distributed among participants is by producing a frequency distribution. This provides valuable information for the company about average responses among the employees about their perceptions on their employer's internal communication, employees' brand knowledge about CapMan brand, commitment to the CapMan brand and willingness to endorse or speak favourably about CapMan brand in social situations. The frequencies among variables are presented in the figures below. The abbreviations of the variables are explained in Table 1 – measurement items.

The most suitable measures of general tendencies among variables are the mean, mode and median. The mean is the average of the variable's value, the mode is the most common value and the median is the middle value of a sorted list of values (Longest, 2012). The minimum represents the smallest value of the variable and the maximum the biggest value (Karjaluoto, 2007).

The standard deviation describes the variability of the values from the mean. The variance is a squared deviation score and is useful for describing the variability of the distribution. If the variance is 0, every respondent in in the distribution is same as average thus there is no variance between the values. (Hair et al., 2015)

4.3.1 Internal communication

The mean for variables measuring internal communication on a Likert scale from 1 to 5 is ranging from 3.34 to 3.86. The median is 3 or 4 with every variable. The

mode is 3 or 4 in every variable except with IC3 multiple modes exists and the smallest mode is 3. The standard deviation and variance are under 1 in IC1, IC3, IC4 and IC6. In IC2 and IC 5 the st.deviation and variance are only a little above 1. Thus, there is not much variance between the responses.

Based on these statistics, it can be concluded that CapMan's employees feel that internal communication has been implemented well at CapMan, since the means are ranging from 3.34 to 3.86 and there is not much variance between the responses. The most common answers were 3 and 4. The lowest means were with items IC2 *CapMan communicates the importance of my role in delivering the brand promise,* IC3 *Internal communications provide all the essential information for me to perform the service according to the brand's expectations* and IC4 *The brand's mission and its promise are constantly reinforced through internal communications.* Even though the results of these items were in a good level, there is also room for improvement. IC2 and IC3 are both measuring the extent of how an employee feels she or he has enough information to behave according to brand's expectations. Brand supporting behaviour evaluation could be established, for example, to be a part of development discussions between employees and managers. This would allow employees to engage in the process of determining their role in the brand building and have a dialogue of internal branding. Because brand supporting behaviour can vary much between different roles, it could be useful for employees and managers to evaluate, how the brand shows in their daily work and behaviour and are they working according to brand promises and values. It could also be hepful to evaluate, how an employee has contributed to the company culture in addition to general performance.

The brand's mission and promise could also be even more reinforced regularly through internal communication, for example by defining clear and concrete action plan what the company wants to be, who does it serve, what are the mission, vision, values and what value does it bring. When employees know and understand company strategy, they are more likely to work successfully towards the common goals. The strategic guidelines could be communicated traditionally for example in office meetings and shared on internal online communication platforms in a way that engages employees to read and internalize the brand strategy and values.

The items IC5 and IC6 were measuring the extent of how the employees feel that their managers communicate about issues regarding the company and give feedback about issues affecting the work environment regularly. The mean of IC5 was 3.63 and 3.86 of IC6. It could be interpreted based on these results that employees feel their managers are sharing information regularly about issues regarding the whole company.

Statistics

		IC1	IC2	IC3	IC4	IC5	IC6
N	Valid	65	65	65	65	65	65
	Missing	0	0	0	0	0	0
Mean		3.83	3.34	3.37	3.34	3.63	3.86
Median		4.00	3.00	3.00	3.00	4.00	4.00
Mode		4	4	3ª	3	4	4
Std. Deviation		.802	1.035	.977	.989	1.098	.998
Variance		.643	1.071	.955	.977	1.205	.996
Minimum		2	1	1	1	1	1
Maximum		5	5	5	5	5	5

a. Multiple modes exist. The smallest value is shown
Table 3 Internal communication, central tendency and variability

4.3.2 Brand knowledge

Brand knowledge variable means are distributed between 3.69 and 3.85. The median is 4 with every variable. Standard deviation and variance are all under 1, thus there is no great variance. These questions measured how well employees feel they know how to live the brand and implement the brand into their daily work, as well as to act brand consistent and deliver the brand promise. There was not much variance in the responses and the means were between 3.69 and 3.85 between every item. The mode was 4 which tells that 4 has been the most common answer. Based on these results, CapMan's employees have internalized well how to live and implement the brand in their daily work. These results were slightly higher than the items IC2 and IC3 that were measuring the extent of how well CapMan communicates the importance of employees' role in delivering the brand promise and does internal communication provides all necessary information to perform according to the brand's expectations. Even though the employee perceived brand knowledge is already on a good level, it could be enhanced for example according to suggestions in the previous chapter.

Statistics

		BK1	BK2	BK3	BK4
N	Valid	65	65	65	65
	Missing	0	0	0	0
Mean		3.78	3.85	3.69	3.69
Median		4.00	4.00	4.00	4.00
Mode		4	4	4	4
Std. Deviation		.944	.972	.865	.917
Variance		.890	.945	.748	.841
Minimum		1	1	2	1

Maximum	5	5	5	5

Table 4 Brand knowledge, central tendency and variability

4.3.3 Brand commitment

The means of brand commitment variables are divided between 3.48 and 3.94. The median is 4 in every variable. The standard deviation and variance are all around 1, thus the variance is small. The means are again on a good level and there is not much variance. 4 is the most common answer in every item. Based on these results, CapMan's employees are committed to the brand and to the company. These high levels of brand commitment should ensure that CapMan's employees are genuinely motivated to deliver the brand promise and act in brand supporting way.

Statistics

		BC1	BC2	BC3	BC4	BC5	BC6
N	Valid	65	65	65	65	65	65
	Missing	0	0	0	0	0	0
Mean		3.72	3.48	3.94	3.63	3.85	3.74
Median		4.00	4.00	4.00	4.00	4.00	4.00
Mode		4	4	4	4	4	4
Std. Deviation		.992	1.105	.950	1.054	1.019	1.094
Variance		.985	1.222	.902	1.112	1.038	1.196
Minimum		1	1	1	1	1	1
Maximum		5	5	5	5	5	5

Table 5 Affective commitment, central tendency and variability

4.3.4 Brand endorsement

The mean for variables measuring brand endorsement is ranging from 4.09 to 4.54. The median is 5 with every variable except with BE3 it is 4. Standard deviation and variance are all either below 1 or only a little above 1. The mode, i.e. the most common answer was 5 in every item. These statistics show that CapMan's employees are speaking positively about the brand to others, recommend the brand for someone who seeks their advice and enjoy talking about the brand and the company. Based on these results, CapMan's employees are acting as brand ambassadors for the company by saying positive things about CapMan. This can have a powerful, positive impact on customers', possible employees' and other stakeholders' perceptions of the brand and the company.

Statistics

BE1	BE2	BE3	BE4

N	Valid	65	65	65	65
	Missing	0	0	0	0
Mean		4.51	4.51	4.09	4.54
Median		5.00	5.00	4.00	5.00
Mode		5	5	5	5
Std. Deviation		.664	.732	1.011	.614
Variance		.441	.535	1.023	.377
Minimum		2	2	1	2
Maximum		5	5	5	5

Table 6 Brand endorsement, central tendency and variability

4.4   Factor Analysis

Exploratory factor analysis was used as a pre-analysis method in this study to identify potential problematic items. The analysis was conducted using IBM SPSS Statistics 24. Firstly, the preconditions for factor analysis were examined with the Kaiser-Meyer Olkin (KMO) test (Karjaluoto, 2007). Kaiser-Meyer-Olkin's test value (0.771) was above the suggested threshold value of 0.5. (Yong & Pearce, 2013). Bartlett's test was statistically significant ($p < 0.00$). Sig.value provided by the Bartlett's test must be <0.1 – 0.5 in order to fulfill the preconditions for factor analysis (Karjaluoto, 2007).

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.771
Bartlett's Test of Sphericity	Approx. Chi-Square	833.049
	df	190
	Sig.	.000

Table 7 KMO and Bartlett's Test

Next, the communalities were examined to determine whether the variables are suitable for factor analysis. If the communality value is <0.3 it is suggested to remove it from the factor analysis. (Karjaluoto, 2007). All communalities were greater than 0.3 which indicates that all items are suitable for factor analysis.

Communalities

	Initial	Extraction
IC1	.643	.603
IC2	.611	.614

IC3	.578	.460
IC4	.693	.650
IC5	.486	.519
IC6	.570	.765
BK1	.721	.600
BK2	.647	.414
BK3	.800	.610
BK4	.809	.611
BC1	.707	.548
BC2	.556	.524
BC3	.632	.519
BC4	.826	.780
BC5	.741	.714
BC6	.843	.737
BE1	.817	.698
BE2	.689	.594
BE3	.568	.401
BE4	.789	.704

Extraction Method: Principal Axis Factoring.

Table 8 Communalities

4.5 Measurement model

Confirmatory factor analysis was implemented through partial least squares structural equation modeling (PLS-SEM) in SmartPLS 3. Partial least squares equation modeling (PLS-SEM) is a standard method in marketing and management research in analysing the causal relationships between latent variables (Hair et al., 2011). According to Rigdon (as cited in (Sarstedt, Ringle, Smith, Reams, & Hair, 2014) the structural equation modelling is one of the most prominent methods in business research because it enables researchers to examine connections between constructs and accounts for measurement errors simultaneously.

Evaluating PLS-SEM results consists of two stages. Stage 1 examines the reliability and validity of the constructs and stage 2 examines the structural models, which includes hypotheses testing and evaluation of significance and meaningfulness of the structural relationships (Sarstedt et al., 2014).

The measurement model was created in SmartPLS and four factors were created based on the adapted theory as they are represented in table 1. In testing the reliability and validity, two items were removed (IC5 and IC6) since it was discovered that the indicator reliability loadings of those two items were under the recommended 0.70 (Hair et al., 2011).

The reliability and validity of the model was evaluated with examining the factor loadings, the internal consistency reliability (Cronbach's Alpha), composite reliability (CR) and average variance extracted (AVE).

According to Sarstedt et al. (2014) factor loadings above 0.70 are acceptable as it indicates that the variable explains over 50 % of the indicator's variance. All loadings were above suggested 0.70 except IC5 and IC7 (both below 0.3) which were then removed to strengthen the consistency. Internal consistency reliability was examined with Cronbach's alpha and CR (composite reliability). Both values are considered to be good when above 0.70 (Hair, Jr, 2015). All values were above the suggested threshold of 0.70. T-values were used to examine the significance of the relationship between the latent factor and the indicators. The t-value is considered to be significant when $t > 1.96$ at the 5 percent level ($p = 0.05$). All values were considerably greater than 1.96, thus the relationships are considered significant.

Factor	Cronbach's alpha	CR (Composite reliability)	Item	Standardized loadings	T-value
Internal communication	0.837	0.891	IC1	0.809	5.928
			IC2	0.848	12.395
			IC3	0.754	7.756
			IC4	0.862	10.691
Brand knowledge	0.847	0.897	BK1	0.845	16.459
			BK2	0.725	8.629
			BK3	0.858	20.734
			BK4	0.875	22.757
Affective commitment	0.906	0.928	AC1	0.789	17.677
			AC2	0.708	8.625
			AC3	0.783	11.729
			AC4	0.871	21.658
			AC5	0.886	29.035
			AC6	0.902	40.552
Brand endorsement	0.852	0.901	BE1	0.900	29.389
			BE2	0.825	12.853
			BE3	0.705	6.857
			BE4	0.893	26.386

Table 9 Cronbach's alphas, CR's, Factor loadings, t-values

The convergent validity was measured with AVE (Average Variance Extracted). The minimum threshold value for AVE >0.5, which indicates that on average the construct explains over 50 %of the variance of its items. (Sarstedt et al., 2014.). All AVE values were above 0.5. The discriminant validity was measured with Fornell-Larcker criterion and cross-loadings. Fornell-Larcker method compares each construct's AVE value with the squared interconstruct correlation with all other constructs in the model. Discriminant validity is evidenced when the square root of AVE of each construct is greater than its correlation with other involved constructs. (Sarstedt et al., 2014)

	AVE	AC	BE	BK	IC
BC	0.683	**0.827**			
BE	0.696	0.629	**0.835**		
BK	0.686	0.398	0.141	**0.828**	
IC	0.671	0.170	0.140	0.576	**0.819**

Table 10 AVE and Fornell-Larcker

In addition, the cross loadings were examined. In cross loadings approach, it is examined whether a variable has more than one significant loading. General guideline is that an indicator variable should load higher on its own construct than on other constructs in the model (Hair, Hult, Ringle, & Sarstedt, 2014). All indicator loadings were higher than their cross-loadings, thus the constructs exhibit discriminant validity.

	AC	BE	BK	IC
BC1	**0.775**	0.583	0.240	0.186
BC2	**0.726**	0.391	0.312	-0.041
BC3	**0.786**	0.392	0.398	0.261
BC4	**0.876**	0.571	0.291	0.011
BC5	**0.885**	0.545	0.411	0.213
BC6	**0.897**	0.602	0.333	0.197
BE1	0.543	**0.900**	0.096	0.126
BE2	0.561	**0.825**	0.115	0.146
BE3	0.451	**0.707**	0.184	0.091
BE4	0.535	**0.893**	0.093	0.101
BK1	0.352	0.111	**0.846**	0.521
BK2	0.265	0.035	**0.730**	0.346
BK3	0.316	0.055	**0.857**	0.465
BK4	0.371	0.228	**0.872**	0.540
IC1	0.027	-0.007	0.501	**0.809**
IC2	0.265	0.232	0.512	**0.848**
IC3	0.159	0.228	0.359	**0.754**
IC4	0.075	-0.011	0.498	**0.862**

Table 11 Cross loadings

4.6   Structural model assessment

Because the measurement model quality in stage 1 was found satisfactory, the stage 2 of PLS-SEM could be conducted. The stage 2 includes the assessment of the structural model and testing the hypotheses. (Sarstedt et al., 2014.). The primary evaluation criteria in structural model assessment are the path coefficients (β) and the coefficients of determination (R^2) (Sarstedt et al., 2014; Hair et al., 2011). PLS-SEM applies nonparametric bootstrapping, which involves drawing a high number of repeating random sub-samples from the original sample to obtain standard errors for hypothesis testing (Sarstedt et al., 2014). In this research, the bootstrapping was calculated with 5000 subsamples with significance level of 5 %.

The coefficient of determination (R^2) is a measure that assesses the accuracy of the research model. It analyses how differences in dependent variable can be explained by the linked independent variables. R^2 values range between 0 and 1 with higher values indicating high accuracy. (Hair et al., 214). As a general guideline, the R^2 values 0.75, 0.50 and 0.25 can be described as substantial, moderate and weak. However, the judgement of what value is high depend on the specific research discipline and in behavioural sciences a R^2 value of 0.2 can be considered high. (Hair et al., 2011). The R^2 values for Brand Commitment, Brand Endorsement and Brand Knowledge were 0.164, 0.425 and 0.331. The effect size (f^2) assesses how one independent construct contributes to explaining a certain dependent construct on R^2 value. The f^2 value can be interpreted as small (0.02), moderate (0.15) or strong (0.35). (Hair et al., 2014). See table 12 for the path coefficients, t-statistics and hypotheses acceptance or rejection.

Hypothesis	β	f^2	*T*-statistics	Supported
Brand commitment → Brand Endorsement	0.676	0.695	7.824**	Yes
Brand Knowledge → Brand commitment	0.451	0.162	2.479**	Yes
Brand knowledge → Brand endorsement	-0.172	0.049	1.193	No
Internal communication → Brand commitment	-0.085	0.006	0.471	No
Internal communication → Brand endorsement	0.123	0.026	0.956	No
Internal communication → Brand knowledge	0.593	0.496	5.557**	Yes
	R²			

Brand commitment	0.164			
Brand Endorsement	0.425			
Brand Knowledge	0.331			
**: $p < 0.05$ (two-tailed test), ns = not significant				

Table 12 path coefficients, t-statistics, hypotheses acceptance/rejection

The strongest path coefficient value was with between Brand Commitment → Brand Endorsement (β = 0.675, p < 0.05, t-value 7.824). Thus, H4 *Employees' affective commitment impacts positively to employees' brand endorsement* is supported. The path coefficient value between Internal Communication → Brand Knowledge was found significant (β = 0.593, p < 0.05, t-value 5.557) supporting H1 *Internal communication impacts positively to employee perceived brand knowledge.* Also Brand Knowledge → Brand Commitment was found to be significant (β = 0.451, p < 0.05, t-value 2.479) thus H5 *Employee perceived brand knowledge impacts positively to employees' affective commitment* is supported. H2, H3 and H6 did not have sufficient significance levels thus they are not supported.

5 DISCUSSION

In this master's thesis the objective was to measure whether CapMan's employees are perceiving positively internal brand communication at CapMan, are they committed to the brand, what is their brand knowledge of the brand and are they acting in brand supporting way in terms of speaking favourably about the company.

Another objective of this study was to study how positive perceptions of internal communication affect to brand knowledge, brand commitment and brand endorsement, how brand knowledge affects to brand commitment and does brand commitment have an impact on brand endorsement among employees of CapMan. The intention was to complement and reinforce the internal branding research.

In this chapter the objectives of the study are discussed and theoretical and managerial implications are suggested based on the research. The validity and reliability, limitations and future research suggestion are discussed in this chapter.

5.1 Theoretical implications

The objective of this study was to examine the relationship between internal brand communication, employee perceived brand knowledge, brand commitment and brand citizenship behaviour in terms of brand endorsement. The research questions were as follows:

RQ1. Do positive perceptions of internal brand communication impact employee perceived brand knowledge?

RQ2. Do positive perceptions of internal brand communication impact employees' brand commitment?

RQ3. Do positive perceptions of internal brand communication impact employees' willingness to talk positively about the brand, i.e. brand endorsement?

RQ4. Do positive perceptions of brand knowledge impact employees' brand commitment?

RQ5. Does brand commitment impact employees' willingness to endorse the brand?

RQ6. Do positive perceptions of internal brand communication impact employees' brand endorsement?

The results of the empirical model support RQ1. The path coefficient value between Internal Communication → Brand Knowledge was found significant (β = 0.593, p < 0.05). Therefore, this research supports existing literature about importance of internal communication in brand knowledge of employees. Baker, Rapp, Meyer & Mullins (2014) state that internal communication is a critical element in impacting to employees' perceptions of the brand. Employees' knowledge and skills (including the brand knowledge) provide competitive benefits for the organisation and therefore it is essential that all employees are provided with brand training and how it relates to their roles as brand ambassadors for the organisation. Employees need to constantly demonstrate positive organisational behaviour for the organisation's success, and it is through internal branding when employees realize the needed skills and knowledge necessary for achieving organisation's goals (De Chernatory & Cottam, 2006, King & Grace, 2012a).

In this study, internal brand communication did not have direct significant effect on employees' brand commitment. In previous studies, it has been proven that employees' commitment to the organisation increases when they are provided with relevant knowledge for successful execution of their role, brand centred HR activities and brand leadership (Burmann & Zeplin, 2005). A study by Bailey et al. (2016) has also proven that among bank employees, internal marketing impacts positively to employee commitment. The construct of internal marketing used in their research combined perceptions of employee empowerment, internal communication, training and rewarding, while this study included only perceptions of internal brand communication. In a study by Du Preez & Bendixen (2015) internal brand management was found to be an important contributor to brand commitment for service staff. In their study the internal brand management construct combined brand identity, brand communication and brand leadership. However, brand communication was the most important contributor to internal brand management in their study. Although internal brand communication is an important antecedent of brand commitment, employees' brand commitment requires more activities and measures than only communication, such as brand-centred HR and brand leadership as also Burmann & Zeplin (2005) discussed. Employees' satisfaction and loyalty might also be required for them to be committed to the brand, because low employee job satisfaction might result to lower commitment. These might be explaining factors, why brand communication did not have a positive significance on brand commitment in this study.

In this study internal brand communication did not appear to have direct significant impact on brand endorsement. Former studies have suggested that internal branding correlates positively with brand citizenship behavior. Burmann & Zeplin's (2005) study argues that internal branding is an enabler of

brand positive behavior in service situations, as it provides employees with brand knowledge and understanding throughout the organization. Also, Punjaisri & et al. (2009) have provided empirical evidence that internal branding and employees' brand supporting behavior have a link but employees' brand identification and loyalty acted as partial mediators. It might be that internal brand communication does not produce brand endorsement directly, but it produces brand identification, brand loyalty and brand knowledge as mediating factors which again have a direct positive impact on brand endorsement.

The results of the empirical model support RQ4 because brand knowledge was found to have significant impact on brand commitment. This finding supports the study of King & Grace (2010) which suggests that knowledge dissemination has a significant positive effect on role clarity and on brand commitment. As a result of internal branding, employees' knowledge of the brand enhances. Brand knowledge again helps employees to understand the brand strategy, which in turn increases role clarity of employees. When employees have information that supports the successful execution of their roles, they have less uncertainty regarding organizational expectations and their commitment to the organization increases. (King & Grace, 2010; Jones, Busch & Dacin, 2003)

This study further supports previous research about the positive effect of brand commitment to employees' brand building behavior. In the empirical model of this study, brand commitment was found to have significant impact on brand endorsement. This finding is consistent with previous research, which has validated brand commitment to be a strong predictor of employees' brand building behavior (e.g. Burmann & Zeplin, 2005; Burmann et al., 2009; King & Grace, 2012a; Piehler et al., 2016).

5.2 Managerial implications

Regarding managerial implications, this study provides important information for the management of case company CapMan about CapMan's employees' perceptions on internal branding, brand knowledge, employees' commitment to the brand as well as their eagerness to act as brand champions for the company by endorsing the brand in their networks.

Besides providing essential information for the case company, this study has shown evidence on the effect of internal branding to brand knowledge, brand commitment and brand endorsement. Several managerial implications can be drawn based on the results of this research and previous internal branding theories. From managerial perspective, internal branding is a strategy and method to increase the brand strength. The goal of internal branding is to ensure that employees communicate consistent brand messages and values to all

stakeholders. When internal branding is carried out successfully, employees' commitment and loyalty to the brand increases and employees turn to brand advocates who will deliver consistent brand messaging in all touchpoints with customers and stakeholders. (Punjaisri & Wilson, 2007).

Internal marketing communication is one of the key tools in internal brand management. Training employees about brand strategy as well as consistent and frequent communication about organisation's mission, vision and values is necessary with respect to brand knowledge. In internal communication, management should adopt various communications tools such as brand guides, newsletters and interactive workshops. (Punjaisri & Wilson 2007; Piehler et al. 2016; Burmann & Zeplin, 2005). Internal marketing is proven to be more efficient when the brand resonates with employees' own values and they find the brand authentic and consistent. Managers should carefully consider the amount, content and relevance when planning and designing internal branding program. Adding story telling elements of the corporate brand increases employees' identification with the brand (Baker et al., 2014). Also, relevant, preferably digital communication channels should be taken into consideration and ensure that the information is available throughout the organization, regardless of the employee position.

Even though internal communication is one of the key instruments in internal branding and serves as a basis for employees to be knowledgeable and aware about brand promises, management should also understand that only providing information to employees is not a sufficient method to turn employees into brand advocates. (Punjaisri & Wilson, 2007; King & Grace, 2010). Employees are an important component of a service brand and every employee is representing the brand in touchpoints with customers and stakeholdes. Besides a shared understanding of the brand values and strategy, they need strong commitment, passion and organisational identification through internal marketing and branding practices and processes. (Vallaster & De Chematony, 2005).

Succesful internal branding integrates corporate marketing, management and HR. Organisation culture and leadership are key elements of internal brand management. A customer-focused service culture, highly coordinated organisational processes (staff development and training) are the basis for corporate environment in which the employees share the values and act as brand advocates. Viewing employees as internal customers and treating them in a caring way is essential in order to employees feel appreciated and in motivating them to act as brand advocates for the company. Employees are more prone to act as brand advocates when they are inspired and encouraged by their managers. Managers should help employees to interpret corporate brand and its implications in their work and motivate employees to rethink their roles as brand builders. High service quality experienced by the customers is a motivational element for employees to act in brand supporting way. Employees become more

committed to the brand when the customer experience exceeds their expectations. (Papasolomou & Vrontis, 2006; Punjaisri & Wilson, 2007; Kimpakorn & Tocquer, 2009; Morhart et al., 2009).

As discussed in the introduction chapter, CapMan has had a successful history and has grown significantly during the years. According to the results of this study, CapMan's employees feel emotional attachment to the brand and enjoy speaking about the brand and the organisation to others. This is interesting in the light of research findings that employees consider their employer brand to be more enticing if the company is regarded successful (Maxwell & Knox, 2009). CapMan's success as a company might also be one explaining factor why employees are committed and willing to endorse the brand.

Based on the survey results, CapMan's employees perceive internal communication to be well-implemented at CapMan, they have a high brand knowledge, they are committed to the brand and are very likely to act as brand advocates for the company and with positive word-of-mouth are reinforcing the favourable image and reputation among stakeholders. Even though this survey did not study employees' job satisfaction and brand identification, another job satisfaction survey at CapMan has proved that CapMan's employees are very satisfied with their employer and have a sense of belonging to the organisation. This research proves that CapMan's employees are committed to the brand and highly willing to recommend the organisation to others.

CapMan's organisational culture has many factors that can explain the high results in commitment and brand endorsement. CapMan's people strategy has four cornerstones: One CapMan Family, Active Leadership, Home of Top Performers and Effective Remuneration (CapMan, 2020b). It has been proven in many studies that rewarding, leadership, trust in supervisors, communication, employees' perceptions of organisational values and high quality service are predictors of commitment. (Kimpakorn & Tocquer, 2009). CapMan's culture has a great deal of collegiality, values that highlight high ethics, active ownership and dedication. CapMan's employees are committed to entrepreneurial drive and as Home of Top Performers indicate, they are dedicated to high performance and service in their work.

As CapMan's employees had high levels of brand knowledge and perceived internal communication to be effective according to the survey results, it could be conducted that internal brand management is efficient at CapMan. As King & Grace (2010) state, employees' knowledge of the brand is enhanced with internal branding. When employees receive adequate amount of information on brand strategy that is relevant for their role, their role clarity and brand commitment increase. (King & Grace, 2010).

5.3 Evaluation of the research

The research is often evaluated by reliability and validity. Reliability refers to the consistency of the measure, which assesses the repeatability of the study with consistent results. Validity refers to the accuracy of the study and is used to assess how the construct measures what it is supposed to measure (Hair et al., 2015).

All hypotheses of this study were formed and combined based on previous theories which increases the validity of this research. Also all measurement items were adopted from previous peer-reviewed studies and were not modified to increase validity.

Internal consistency reliability was examined with Cronbach's alpha and CR (composite reliability). Both values are considered to be good when above 0.70 (Hair, Jr, 2015). All values were above the suggested threshold of 0.70, except IC5 and IC7 (both below 0.3) which were then removed to strengthen the consistency.

Construct validity examines what the construct is actually measuring. To assess construct validity, convergent validity and discriminant validity have to be performed. Convergent validity examines how positively the measures of constructs relate to each other, while discriminant validity tests that measures of constructs do not correlate with other measures that are different from it. (Hair et al., 2015). The convergent validity was measured with AVE (Average Variance Extracted). AVE value is acceptable when the value is >0.5, which indicates that on average the construct explains over 50 %of the variance of its items. (Sarstedt et al., 2014.). All AVE values were found acceptable.

The discriminant validity was measured with Fornell-Larcker criterion and cross-loadings. Fornell-Larcker method compares each construct's AVE value with the squared interconstruct correlation with all other constructs in the model. (Sarstedt et al., 2014). In cross loadings approach, it is examined if a variable has more than one significant loading (Hair et al., 2014). All of the constructs were found valid based on these tests.

5.4 Limitations and future research

This research has its limitations, even though validity and reliability were inspected and accepted. Firstly, the data was collected in a single company in a single industry, thus the results may not be repeatable and consistent in other companies and industries. The sample of this study is representing only the perceptions of employees of CapMan. Future studies should include larger samples in various organizations and industries in order to obtain generalizable

results. However, the objective of this study was to provide information of the current state of internal branding to the case company and support existing academic research on internal branding, rather than to generalize the results.

Furthermore, the sample size (n = 65) is very small which has been the most important limitation this study. Although the sample is small, it represents 53 % of employees of CapMan and there is very little variance in the responses. Based on this, the study should provide a comprehensive overview of the perceptions of the whole staff of CapMan. Confirmatory factor analysis was implemented successfully through partial least squares structural equation modeling (PLS-SEM) and three hypotheses were supported, albeit the small sample size. Hair et al. (2014) state that PLM-SEM usually works efficiently with small sample sizes.

In this research, internal brand communication seemed not to have direct effect on brand commitment and brand endorsement. The model should be tested in different setting with larger sample size in order to provide generalizable results. This study focused only on brand endorsement as embodiment of brand citizenship behaviour or brand performance. Future studies could seek other consequences of internal branding, which support brand performance among employees. Future studies could also explore the consequences of leadership to brand citizenship behaviour and brand endorsement, which would be of great importance to academics as well as practitioners. Future studies could also investigate how much a positive external brand image impacts to employees' brand commitment and brand endorsement.

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APPENDIX 1   Survey

All items are measured with 1-5 Likert Scale.

Internal brand communication (adapted from Garas et al., 2018)

1) CapMan communicates its brand promise well to its employees.

2) CapMan communicates the importance of my role in delivering the brand promise.

3) Internal communications provide all the essential information for me to perform the service according to the brand's expectations.

4) The brand's mission and its promise are constantly reinforced through internal communications.

5) My manager regularly meets all employees to report about issues relating to the whole company.

6) My manager regularly gives me feedback about issues affecting the work environment.

Employee perceived brand knowledge (partly adapted from King & Grace, 2010 as cited in Xiong, King, & Piehler, 2013).

7) I know how to live our brand in my daily work.

8) I know how to act brand consistent in my daily work.

9) I know how to implement our brand into my daily work.

10) I know how to deliver our brand promise in my daily work.

Brand commitment (adapted from Meyer & Allen, 1990)

11) I would be very happy to spend the rest of my career with CapMan.

12) I feel as if CapMan's problems are my own.

13) I feel I belong to CapMan.

14) I feel emotionally attached to CapMan.

15) I feel like "a member of the family" at CapMan.

16) CapMan has a great deal of personal meaning for me.

Brand endorsement (adapted from Xiong et al., 2013)

17) I say positive things about the organization (brand) I work for to others.

18) I would recommend the organization (brand) I work for to someone who seeks my advice.

19) I enjoy talking about the organization (brand) I work for to others.

20) I talk positively about the organization (brand) I work for to others.