

# Managing brand consistent employee behaviour: relevance and managerial control of behavioural branding

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## Abstract

**Purpose** – This study aims to show that brand success can be improved if the brand promise that is communicated through mass media campaigns is lived up to by each employee of a company. The paper terms such brand consistent employee behaviour behavioural branding and identifies managerial instruments for its implementation and management.

**Design/methodology/approach** – The model in the paper explains the brand's contribution to company success by brand consistent employee behaviour, functional employee performance and brand congruent mass media communication. Brand consistent employee behaviour and functional employee performance in turn are modelled as determined by formal and informal management techniques as well as employee empowerment. The model is tested on a sample of 167 senior managers using partial least squares and finds empirical support. Furthermore, practical implications are provided based on additional top management focus groups.

**Findings** – The paper finds that behavioural branding determines the brand's contribution to company success. Further, the results show that informal management and employee empowerment have a far stronger impact on the brand consistency of employee behaviour than formal management instruments.

**Practical implications** – Managers should spend more time explaining and discussing targets of behavioural branding, and they should create an organisational environment that enables employees to find their own individual ways of articulating a brand to customers.

**Originality/value** – The framework in the paper integrates personal and non-personal facets of interaction for a holistic explanation of brand performance. It provides a broader understanding of factors affecting the accrual of a customer's brand experience and enables researchers and practitioners to develop more consistent and promising brand management activities.

**Keywords** Employee behaviour, Brands, Brand management

**Paper type** Research paper

**An executive summary for managers and executive readers can be found at the end of this article.**

## Introduction and background

Market saturation and consumer confusion have changed the role of branding dramatically during the last decades. Consumers try to handle the flood of apparently exchangeable products and services by demanding those goods that provide a holistic and coherent consumption experience (e.g. Bendapudi and Bendapudi, 2005; Burmann and Zeplin, 2005; Aurand *et al.*, 2005; Mitchell, 2002; Berry, 2000). Brands are no longer simple product labels, but they are communication platforms towards customers and other stakeholders that convey specific attributes of products or services as well as company values and mission statements (Davies and Chun, 2002; de Chernatony and Dall'Olmio Riley, 1998; Aaker, 1996). Microsoft, for example, uses its recent corporate branding campaign to communicate both purchase relevant product criteria as well as corporate values

reflecting the passion of the company. The claim “Your Potential. Our Passion” tells customers that achieving their personal objectives will be accompanied and advanced by Microsoft's products and services. Microsoft presents itself as an omnipresent partner promising solutions for every existing and potential customer need. Consequently, Microsoft's employees are under pressure to live up to this promise in each interaction situation in order to promote a consistent brand image (Bendapudi and Bendapudi, 2005; Burmann and Zeplin, 2005; Mitchell, 2002; Berry, 2000). However, what does “passion” mean to a call centre agent in comparison to a software engineer, and how can both groups of employees be motivated and guided to act in a “passionate” way?

The aim of this study is to assess the importance of personal employee interaction within the company's effort to display a holistic brand performance. We investigate the role of brand consistent employee behaviour. We term such behaviour behavioural branding and analyse how it can be implemented. With respect to Watzlawick and Beavin (1967), who posited that it is not possible to not communicate, it can be reasoned that only those companies, which are able to create, communicate and keep a unique and differentiating brand promise via behavioural branding, have the possibility to reach an undisputed positioning in the customer's relevant set (e.g. Grace and O'Cass, 2004; de Chernatony, 2002; Berry, 2000).

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Theoretical support for this assumption can be found in the fields of research on service quality and strategic organisational behaviour. Service quality studies show that the brand experience of customers is exceedingly determined by the moment of their interaction with the firm (e.g. Hartline *et al.*, 2000; Iacobucci and Ostrom, 1995; Bowers *et al.*, 1990; Zeithaml *et al.*, 1988; Surprenant and Solomon, 1987; Solomon *et al.*, 1985; Parasuraman *et al.*, 1985). Employees are critical to consumers' perceptions of brand image (Berry, 2000; Bitner *et al.*, 1990; Swartz and Brown, 1989). Furthermore, a customer's attitude toward the outcome of the service and his/her ultimate satisfaction are highly dependent on the employee he/she interacts with (Hanna *et al.*, 2004; Dean, 2004; Winsted, 2000; Kelley and Hoffman, 1997; Bitner *et al.*, 1990; Swartz and Brown, 1989). In line with this notion, research in organisational behaviour arrives at the conclusion that different strategies require different and very specific employee behaviours (e.g. Hanna *et al.*, 2004; Hartline and Jones, 1996).

Considering these findings, we hypothesise that a company can realise continuous brand success only if the brand promise which is communicated through mass media campaigns is lived up to by its employees. A brand experience that does not fit with mass media-based brand expectations may lead to customer dissatisfaction and possibly even to a refusal of the brand (Bendapudi and Bendapudi, 2005; Burmann and Zeplin, 2005; Hanna *et al.*, 2004; Mitchell, 2002; Berry, 2000). In order to achieve consistent personal communication of brand values, high quality customer interaction in the form of generally accepted standards such as friendliness or competence is not sufficient. It is also necessary to promote complex employee behaviours communicating specific brand values (Burmann and Zeplin, 2005; Olson *et al.*, 2005; Berry, 2000; Van Scotter and Motowidlo, 1996). A potential BMW customer, for example, may expect a friendly and competent, but also cultivated and dynamic, car seller, whereas a Mini customer may also anticipate a friendly and competent Mini agent who communicates different brand values such as independence and self-actualisation. Hence, although both BMW and Mini customers have equal expectations with regard to conventional service quality indicators (friendliness, competence, etc.) they may exhibit strongly different expectations considering the brand-oriented employee performance (cultivated and dynamic vs independent and self-actualising). Accordingly, we propose the construct behavioural branding as any type of verbal and non-verbal employee behaviour that directly or indirectly determines brand experience and brand value.

However, whereas a lot of research has been done on the antecedents of successful brand management within the context of mass media communication (e.g. Florack and Scarabis, 2006; Grace and O'Cass, 2004; Deighton *et al.*, 1994) the effect of personal employee interaction on brand performance has been largely neglected. Moreover, the question of how to manage employees to act in a brand consistent way remains predominantly unanswered. Consequently, this paper aims to bridge this gap by assessing the importance of behavioural branding and identifying managerial approaches for its promotion.

To achieve this, we develop and test a structural model on the relevance of behavioural branding as well as its drivers. The effect of personal employee interaction on brand

performance is investigated by conceptualising "behavioural branding quality", "functional employee performance" and "mass media brand congruency" as variables determining the brand's contribution to company success. In addition, based on the theory of marketing control (Jaworski, 1988; Jaworski *et al.*, 1993), the model conceptualises employee empowerment, management through formal communication and management through informal communication as antecedents of functional employee performance and behavioural branding quality. Finally, we study the effect of mass media brand congruency on behavioural branding quality in order to examine whether external brand activities affect the thinking and acting of employees (Wolfenbarger and Gilly, 2005, 1991; Gilly and Wolfenbarger, 1998). The paper is structured as follows: first, we present the conceptual foundation and derive our hypotheses. Next, the empirical results of our management survey are presented. This is followed by scientific and managerial implications that we have elaborated in focus groups with managers of nine leading companies (BMW Group, REWE Group, Zurich Financial Services, Swisscom Mobile AG, Deutsche Telekom AG, Holcim Group Support Ltd., UBS AG, ENBW AG, and Nestlé AG). Finally, we discuss future research directions.

## Conceptual model and hypotheses

### The theory of marketing control

As mentioned above, we believe that a company can achieve superior brand performance if its employees live up to a unique and distinguishing brand promise at each and every customer touch point. Thereby, companies need to realise that managing customer contact employees includes not only educating employees to act socially conform (e.g. friendly, open or courteous), but also promoting those complex employee behaviours that provide a highly distinguishing brand image (Bendapudi and Bendapudi, 2005; Burmann and Zeplin, 2005; Mitchell, 2002; Berry, 2000; Van Scotter and Motowidlo, 1996). Several structural and procedural mechanisms within the company must come into alignment before effective dissemination can occur (Hartline *et al.*, 2000; Jaworski *et al.*, 1993). One appropriate theoretical framework to clarify how management-initiated and employee-initiated control mechanisms can be employed effectively in order to ensure that customer contact employees act brand consistently is the theory of marketing control (Jaworski, 1988). Marketing control refers to management's attempts to influence the behaviour and activities of marketing personnel in order to achieve desired outcomes (Jaworski, 1988; Jaworski *et al.*, 1993). The control device is designed to affect individual action, which, in turn, is expected to influence performance. More specifically, Jaworski (1988) distinguishes two types of control, namely formal and informal control. Formal control activities are defined as "written, management-initiated mechanisms that influence the probability that employees or groups will behave in ways that support the stated marketing objectives" (Jaworski, 1988, p. 26). In contrast, informal control is characterised through personal interaction between managers and employees and can be initiated by employees as well as by managers (Jaworski, 1988). In addition, employee empowerment has been modelled as another control instrument in recent studies (e.g. Hartline *et al.*, 2000; Hartline and Ferrell, 1996). Employee empowerment refers to a situation in which

employees are authorised by managers to make day-to-day decisions autonomously in order to enable situation adequate acting (Huselid, 1995; Bowen and Lawler, 1992).

### Research model and hypotheses

Acting brand consistently necessitates specific brand-related skills but also the flexibility to perform situation adequately (Hartline *et al.*, 2000; Hartline and Ferrell, 1996; Kelley *et al.*, 1996; Bowen and Lawler, 1992; Conger and Kanungo, 1988). To achieve brand consistent employee behaviour, we hypothesise, a combination of formal and informal management instruments (*H1a/H1b* and *H2a/H2b*) as well as employee empowerment (*H3a/H3b*) is required.

#### Formal and informal control

Formal control mechanisms provide a means for addressing routine aspects of a problem by prescribing appropriate behaviours. Rules enable employees to organise their activities to both their own and the organisation's benefit (Ruekert *et al.*, 1985). However, employees who are controlled exclusively through highly standardised tasks (formal control) tend to be highly efficient but often cannot adapt to changing conditions (Hartline *et al.*, 2000). Kelley *et al.* (1996), for instance, arrive at the conclusion that the mere adoption of formal control mechanism diminishes the creativity of employees as well as their ability to adapt to non-routine task environments. Moreover, Humphrey and Ashforth (1994) provide empirical evidence that employees who "mindlessly" follow a behaviour script are more likely to make mistakes and less likely to meet the individual needs of their customers. As such, it is recommended to chose to rely on informal controls instead that inspire employees to perform in accordance with company values (Hartline *et al.*, 2000). Informal forms of control yield high clarity to employees which, in turn, increases brand commitment and brand performance (Cravens *et al.*, 1993). Finally, Bowen and Schneider (1985) could show empirically that involving contact employees in the planning and organisation of service activities positively affects customer orientation and service behaviour. Accordingly, it is recommended by several researchers to employ formal and informal control mechanisms simultaneously in order to increase the quality of employees' behavioural performance. A combination of informal and formal control should provide employees with the information needed to perform their jobs adequately, and thus eliminate incompatibilities in communicated expectations (Cravens *et al.*, 1993; Hartline *et al.*, 2000). One the basis of this reasoning, we propose the following hypotheses:

- H1a.* The higher the degree of formal control, the higher the employee performance.
- H1b.* The higher the degree of formal control, the higher the quality of behavioural branding.
- H2a.* The higher the degree of informal control, the higher the employee performance.
- H2b.* The higher the degree of informal control, the higher the quality of behavioural branding.

#### Empowerment

Pro-social customer-oriented behaviour requires a great amount of individual attention, flexibility and novelty in the provision of services and goods (Du Gay, 1996; Sturdy, 1998). In this context, scripts, rules and close supervision can "straightjacket" employees, constraining both their scope to

act on behalf of the customer's interests and their motivation to do so (Peccei and Rosenthal, 2001). This finding does not mean that formal control mechanisms should be replaced. However, a higher degree of self-control is expected to be an adequate means to eliminate many of the problems associated with the sole reliance on traditional management controls (Jaworski, 1988). Empowered employees feel better about their job and more enthusiastic about serving customers (Bowen and Lawler, 1992; Peccei and Rosenthal, 2001). They are more satisfied with their job and more confident in their ability to contribute to the firm's success (Conger and Kanungo, 1988; Peccei and Rosenthal, 2001) leading to a stronger motivation to exhibit customer-oriented behaviour (Kelley *et al.*, 1996; Hartline *et al.*, 2000). As, moreover, empowerment has got a positive effect on employee-initiated control, teamwork and identification with organisation values (Bowen and Lawler, 1992), we hypothesise:

- H3a.* The higher the degree of employee empowerment, the higher the employee performance.
- H3b.* The higher the degree of employee empowerment, the higher the quality of behavioural branding.

A third group of hypotheses focuses on the effect of mass media brand congruency on employee performance, behavioural branding quality and on the brand's contribution to success. Empirical findings demonstrate that external communication activities not only affect the consumers' perspective of a brand. External communication also shapes employees' thinking and behaviour as advertising envoys an implicit or explicit statement to the firm's employees about the behaviours they are expected to perform (George and Berry, 1981; Wolfinbarger and Gilly, 1991; Gilly and Wolfinbarger, 1998; Wolfinbarger and Gilly, 2005). In addition, this stream of literature reveals that employees with high brand identification tend to outperform employees with lower identification with regard to service quality measures due to higher intrinsic motivation and obligatory feelings towards the company. Furthermore, numerous studies provide evidence for the impact of mass media communications on brand success factors such as brand evaluations and attitudes toward the brand (e.g. Thompson and Hamilton, 2006; Janssens and De Pelsmacker, 2005; Lee and Labroo, 2004), purchase intentions, brand loyalty and brand equity (e.g. Madhavaram *et al.*, 2005; Ratnatunga and Ewing, 2005; Rubinson and Pfeiffer, 2005). Therefore, we hypothesise:

- H4a.* The more brand congruent the mass media communication, the higher the employee performance.
- H4b.* The more brand congruent the mass media communication, the higher the quality of behavioural branding.
- H4c.* The more brand congruent the mass media communication, the higher the brand's contribution to success.

Our last group of hypotheses reflects the central proposition of our study – the impact of brand consistent employee behaviour on brand performance. A customer's brand experience is strongly determined by the moment of interaction between the customer and the company (e.g. Bendapudi and Bendapudi, 2005; Mitchell, 2002; Berry, 2000). Empirical studies show that customers' judgements of service quality are strongly affected by employees' attitudinal and behavioural responses (Bitner, 1990; Kelley, 1992).

Customers' satisfaction with the service increases when employees possess ability, willingness and competence to solve their problems (Bitner *et al.*, 1990). Moreover, Burmann and Zeplin (2005) argue that brand consistent employee behaviour increases brand trust and brand loyalty. In line with these findings, it can be reasoned that a holistic brand experience can be realised only, if employees act functionally correct but also brand conform. Hence, considering Starbucks' founder, Howard Schulz (1997), who notes that the most powerful and enduring brands are those which are not only promoted through advertising campaigns but built with the strength of human spirit, we hypothesise:

- H5a The higher the employee performance, the higher the quality of behavioural branding.
- H5b The higher the employee performance, the higher the brand's contribution to success.
- H6 The higher the quality of behavioural branding, the higher the brand's contribution to success.

We summarise our discussion in Figure 1.

### Empirical study

#### Data collection and subjects

In order to test our model we conducted a cross sectional survey among senior marketing managers and CEOs of German and Swiss companies. Out of 643 companies contacted, we received usable answers from 167 managers representing a 26 per cent response rate. Of the questionnaires, 21 per cent were received from the consumer goods industry, 41 per cent from service industry, 21 per cent from the industrial goods industry and 17 per cent from other industries (e.g. retailing industry). Based on a test for a possible non-response bias by comparing early and late responses (Armstrong and Overton, 1997), we conclude that non-responses did not impact the data at hand.

#### Measures

Whenever possible, we used existing measures for the model constructs. For the three management control variables we employed the scales of Pelham and Wilson (1996) (formal management control: three items), DeCarlo and Leigh (1996)

(informal management control: three items) and Hartline and Ferrell (1996) (employee empowerment: three items). Functional employee performance was measured with a six-item scale based on Oliver and Anderson (1994). In the case of the brand's contribution to economic success, we adapted the measure by Putrevu and Lord (1994) yielding a five-item scale.

Although a lot of research has been done on the development of behaviour scales within the service context (see for example the SERVQUAL dimensions by Parasuraman *et al.*, 1991a, b, 1993; Zeithaml *et al.*, 1996) and with respect to the corporate citizenship approach (e.g. Castro *et al.*, 2004), we are not aware of any measures for brand consistent behaviour. Consequently, based on a review of the communication literature (e.g. Watzlawick and Beavin, 1967; Mead, 1934; Blumer, 1969; see also Gabbott and Hogg, 2001), we elaborated a list of formative items that covered verbal (two items) as well as non-verbal (four items) activities deemed potentially relevant for behavioural branding. Similarly, we developed a scale consisting of 15 formative items in order to investigate the effect of mass media based branding activities on the brand's contribution to company success. In particular, we composed a set of 15 mass media communication channels and asked our participants to evaluate their ability to improve the brand's contribution. Finally, we discussed our questionnaire in focus groups conducted with top-level managers of nine brand leaders (BMW Group, REWE Group, Zurich Financial Services, Swisscom Mobile AG, Deutsche Telekom AG, Holcim Group Support Ltd., UBS AG, ENBW AG, and Nestlé AG) in order to improve the effectiveness of the measures. The complete item batteries used within our survey is summarised in Table I.

#### Method and results

Since several constructs are used, each of them operationalised through multiple indicators, structural equation modelling is the appropriate method for evaluating the presented model. As our structural model comprises formative as well as reflective measures and the quality of behavioural branding construct emits only one path, an estimation using covariance-based algorithms would lead to an underidentified model (see Edwards and Bagozzi, 2000).

Figure 1 Research model and hypotheses

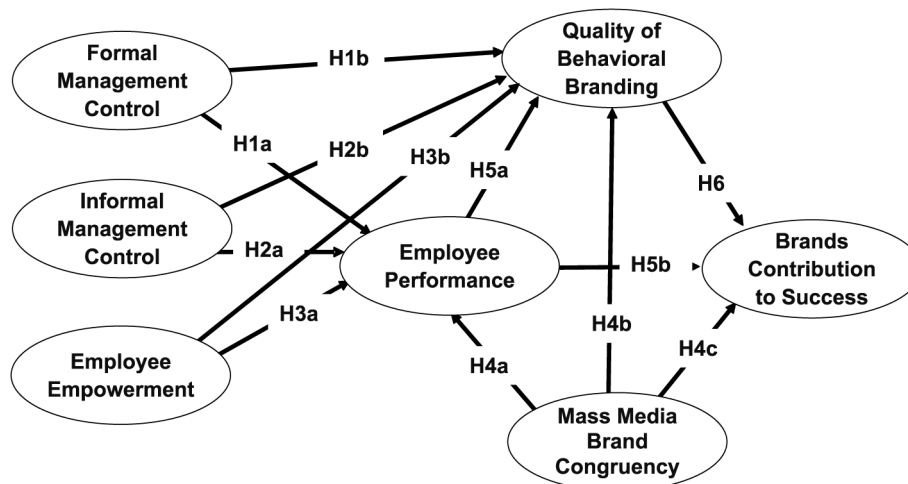


Table I Items used in the survey (seven-point Likert scales: 1 (agree)-7 (don't agree))

	AVE	$\alpha$
<b>Formal management control</b>	0.40	0.71
We hand out brand related information booklets to our employees?		
We hand out a written manual of branding issues to our employees?		
We hand out written, brand related job descriptions to our employees		
<b>Informal management control</b>	0.48	0.71
I regularly meet my employees to discuss possible branding issues		
I counsel my employees in branding issues		
I encourage my employees to improve the brand consistency of their behaviour		
<b>Employee empowerment</b>	0.38	0.64
I allow employees a high degree of initiative when dealing with our customers		
I trust employees to act brand consistent when dealing with our customers		
I encourage initiative in my employees when dealing with our customers		
<b>Functional employee performance</b>	0.52	0.84
Our employees produce high market share for our brand		
Our employees make sales with those brands with the highest market share		
Our employees quickly generate sales of new company brands		
Our employees identify and sell our brands to major accounts in our territory		
Our employees exceed all sales targets and objectives with our brands		
<b>Behavioral branding quality<sup>a</sup></b>		
Our employees are able to quickly identify individual customer needs in order to provide the best possible solution		
Our employees live up to our brand values through gesture when dealing with our customers		
Our employees verbally integrate our brand values when dealing with our customers		
Our employees have a personal interest to be adequately dressed when dealing with our customers		
Our employees act as brand ambassadors of our company		
Our employees live up to our brand values through mimics when dealing with our customers		
<b>Mass media brand congruency<sup>a</sup></b>		
These communication forms are adequate to transport our brand promise strongly and credibly:		
Print advertisements		
Television advertisements		
Brochures		
Public relations		
Road shows		
Cinema advertising		
Promotions		
Internet		
Sponsoring		
Fares		
Outdoor advertising		
Social engagement		
Direct mails		
Radio advertising		
Events		
<b>Brand's contribution to success</b>	0.48	0.81
Because of our brand customers are interested in new products of our company		
Our brand strongly determines the buying decision of our customers		
Because of our brand our customers are less price sensitive		
Because of our brand the costs for acquiring new customers are low		
Because of our brand customers are loyal		

Note: <sup>a</sup> Formative measure

Therefore, we applied partial least squares (PLS) using PLS GRAPH Version 3.00 by Wynne Chin (1998).

Prior to the estimation of the structural model, confirmatory factor analysis was employed to test for internal consistency of the scales used. Out of the five reflective scales, four had a good overall reliability with an

average variance extracted of above 0.40 (Fornell and Larcker, 1981). Specifically, average variance extracted of formal management control is 0.70 (Cronbach  $\alpha = 0.71$ ). Employee performance has an average variance extracted of 0.52 (Cronbach  $\alpha = 0.84$ ). The brand's contribution to economic success and the informal management control

scales extract an average variance of 48 per cent in the respective indicators (Cronbach  $\alpha$  coefficients of 0.81 and 0.71). Only employee empowerment has a low reliability with an average variance extracted of 0.38 (Cronbach  $\alpha = 0.64$ ). Given the desire for multiple indicators and the satisfactory level of coefficient  $\alpha$ , we decided to keep all three indicators. With regard to the formative indicators, there are no reliability measures since all formative indicators constitute the construct's meaning. However, we tested for potential multicollinearity. Low variance inflation factors for both the quality of behavioural branding and the brand congruent mass media communication constructs indicate no potential biases due to correlated formative indicators.

Consistent with the distribution-free, predictive approach of PLS (Wold, 1982), the structural model was evaluated using the  $R$ -square for the dependent constructs and the Stone-Geisser  $Q$ -square test (Stone, 1974; Geisser, 1974) for predictive relevance. Further, we computed  $t$ -statistics using bootstrap resampling (100 samples generated).

The results revealed that three of the 12 hypothesised links are estimated as non significant. First,  $H1b$  posits that formal management control has a direct positive impact on the quality of behavioural branding. Our results, however, reveal a non significant impact ( $\beta = -0.01$ ;  $t = 0.17$ ). In addition, the link between mass media brand congruency and behavioural branding quality ( $H4b$ ) was non significant ( $\beta = 0.09$ ;  $t = 1.22$ ). Finally, functional employee performance did not have a significant impact on the brand's contribution to economic success ( $H5b$ :  $\beta = 0.03$ ;  $t = 0.23$ ).

In a next step we dropped the non-significant paths from the model and re-estimated it (see Figure 2). All of the remaining coefficients are significant ( $p < 0.05$ ) and in the expected direction (indicating nomological validity of our constructs). Interestingly, the variables in our revised model explain more than 55 per cent of the variance of the newly proposed construct quality of behavioural branding. Similarly, 40 per cent of the variance of employee performance can be explained with our model. In addition, we find support for our main hypotheses that behavioural branding significantly affects the brand's contribution to economic success ( $\beta = 0.20$ ,  $t = 2.11$ ) while controlling for the impact of mass media communication ( $\beta = 0.39$ ,  $t = 3.48$ ). Furthermore, it is interesting to note that brand congruent

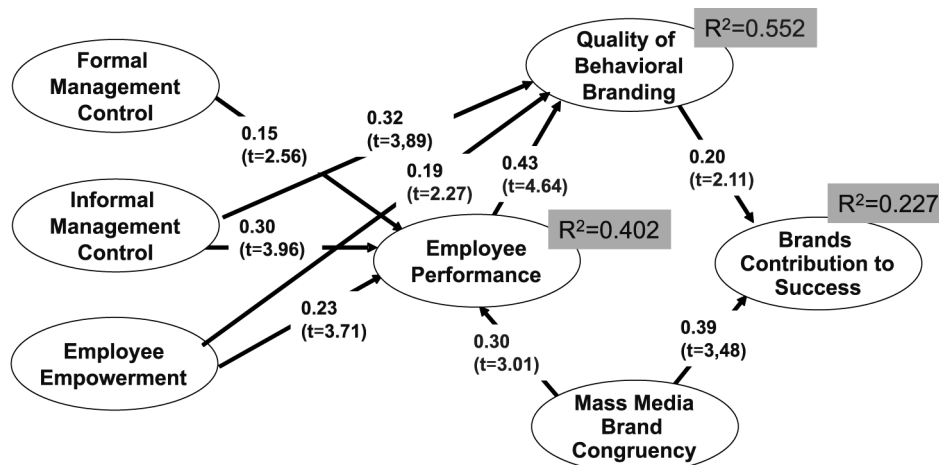
employee behaviour is mainly determined by informal control mechanisms ( $\beta = 0.23$ ,  $t = 3.71$ ).

A potential reason for the non-significance of the three paths noted above may be that their effect is indirect and mediated by intervening constructs. Consequently, we conducted mediation analysis for the omitted paths. A variety of tests are proposed to statistically probe for mediation (see MacKinnon *et al.* (2002) for an overview). According to a Monte Carlo study of MacKinnon *et al.* (1995), the product coefficient Sobel and Aroian tests perform best whenever sample size exceeds 50. Therefore, we applied both tests to our data.

With regard to the link between formal control and behavioural branding we find evidence for mediation (Sobel:  $t = 2.24$ ,  $p < 0.05$ , Aroian:  $t = 2.20$ ,  $p < 0.05$ ). Since we find no significant effect between formal control and the quality of behavioural branding when we control for the effect of employee performance, this indicates that employee performance fully mediates this link (Baron and Kenny, 1986). It seems that well performing employees are able to communicate brand claims better than low performing ones. Since formal control mechanisms increase employee performance, they do exert an indirect positive impact on the quality of behavioural branding. However, this impact is quite small ( $\beta = 0.06$ ). Apparently, formal control mechanisms are not well suited to improve the articulation of the brand promise by employees. The coefficients for the antecedents employee empowerment ( $\beta = 0.19$ ) and informal control ( $\beta = 0.32$ ) rather demonstrate that employees need to find their own individual ways of brand representation and need personal training and coaching in doing so.

Similarly, the link between employee performance and brand's contribution to success may be insignificant due to the mediating role of the quality of behavioural branding. However, mediation tests reveal only weak evidence (Sobel:  $t = 1.92$ ,  $p < 0.10$ , Aroian:  $t = 1.88$ ,  $p < 0.10$ ). When we tested for a direct link between employee performance and brand contribution to success omitting quality of behavioural branding, we found no significant link between both constructs ( $\beta = 0.13$ ,  $t = 1.38$ ). While employee performance will most likely increase company performance it apparently does not increase the brands contribution to success. This is consistent with our example of Mini

Figure 2 Final model estimated with partial least squares



employees above. Employees of Mini who perform well, but do not communicate Mini brand values such as independence and self-actualisation, are not able to contribute to the brand itself.

We find evidence for mediation for the link between mass media congruency and quality of behavioural branding (Sobel:  $t = 2.52$ ,  $p < 0.01$ , Aroian:  $t = 2.48$ ,  $p < 0.01$ ). Similarly to formal management control, it seems that mass media communication does indirectly help employees in communicating the brand ( $\beta = 0.13$ ). Apparently, strong and well communicated brands increase intrinsic motivation and performance which in turn enables employees to communicate a brand's promise better.

We also tested for a potential interaction effect between mass media brand congruency and behavioural branding quality on the brands contribution to success. Contrary to our previous specification, it is conceivable that proper mass media campaigns may have a stronger positive effect when employees communicate the brand more consistently. To test for an interaction between both formative constructs, we calculated individual level construct values in the form of weighted sums for both behavioural branding and mass media congruency based on the indicator weights of PLS. We then obtained values for the interaction term by multiplying both construct values. When we added the interaction term to the model we found no evidence of a significant interaction at  $p < 0.10$ . Since inflated standard errors due to multicollinearity may have driven this result, we also calculated orthogonal values for the quality of behavioural branding and mass media congruency as well as their interaction using the Orthogonal procedure of Stata 9.2. However, despite smaller standard errors we still did not detect a significant interaction effect. Therefore, we conclude that our above specification is correct, i.e. behavioural branding quality and mass media congruency do not interact; mass media congruency rather drives behavioural branding quality indirectly through employee performance.

## Conclusion and implications

Brand consistent employee behaviour is a critical success factor from a management point of view. Our central hypothesis, that continuous brand success can be improved if the brand promise that is communicated through a company's mass media campaigns is lived up to by each of its employees, is empirically supported through a survey among 167 senior marketing managers from Switzerland and Germany. Further, the results of our study imply that the management of customer contact employees involves more than training employees to act "socially conform" but also to promote those complex employee behaviours that may generate a highly distinguishing brand performance (e.g. Olson *et al.*, 2005; Berry, 2000). In brand driven industries employees need to be able to adapt and respond quickly to customer needs with respect to the brand values of their company (Hartline *et al.*, 2000). They need to know the goals and the brand values of their company. Moreover, they need to be conscious that their day-to-day activities and behaviours in customer contact situations build the cornerstone of their companies' external appearance. To overcome these challenges, structures, processes, and incentives are needed to enable brand-oriented employee behaviour (Olson *et al.*, 2005; Slater and Olson, 2001; Hartline *et al.*, 2000). In this

context the results of our study indicate that a combination of formal and informal control systems as well as a high degree of employee empowerment affects employee performance in general as well as brand-oriented employee behaviour. Managers have to spend time explaining and discussing targets of behavioural branding, and they have to create an organisational environment that enables employees to find their individual ways of brand communication. Further, we have shown that functional employee performance by itself has no significant effect on brand performance from the management point of view. Finally and contrary to our expectations, mass media branding has no significant direct impact on behavioural branding quality. As we have shown this is due to the fact that employee performance completely mediates the effect of mass media communication on the quality of behavioural branding.

After conducting the study, we discussed our results with senior managers of nine leading companies in the field of brand management (BMW Group, REWE Group, Zurich Financial Services, Swisscom Mobile AG, Deutsche Telekom AG, Holcim Group Support Ltd., UBS AG, ENBW AG, and Nestlé AG) in order to develop managerial implications. Thereby, we elaborated management techniques that may improve behavioural branding quality as well as communication strategies in order to better translate the brand values into realisable behaviour. The results of this qualitative research provide examples of how informal control and employee empowerment can be employed to increase brand consistent employee behaviour.

To optimise the efficiency of managerial activities absolute top management commitment is needed. By representing the company top managers affect both the external and the internal audience. They have the function of brand ambassadors toward customers and external stakeholders, but also the function of role models toward their employees. Hence, acting brand inconsistently may affect employees' brand perception negatively whereas a brand congruent behaviour may motivate employees to copy top management behaviour (e.g. Lockwood *et al.*, 2004, 2002; Lockwood and Kunda, 1997). Ikea's founder Ingmar Kamprad, for example, acts as a role model living up to Ikea's brand values such as price consciousness and simpleness by using low cost airlines and driving a 15-year-old car. Hence, marketing professionals should think about approaches to bring their own senior managers in line with brand strategy. Similarly, advertisers should think about communicating brand promises that can be kept by top managers.

Additionally, it is recommended to bridge the gap between top management and front line personnel by requesting senior managers to join their employees regularly. This procedure is expected to emphasise the role model function of senior managers and to improve the team feeling across functional borders. Coke's managers, for instance, are bound to pass through all levels of the organisation when entering the company in order to get a holistic picture of the unique Coke spirit. Finally, a higher degree of cooperation between human resources management and marketing management is needed to ensure a consistent and integrated dissemination of corporate values resp. brand values throughout the firm.

Moreover, in order to make brand values understandable and behaviourally convertible it is recommended to translate brand values into brand stories. Breaking down rather abstract contents into concrete brand stories is a possible means to

motivate employees to reflect the brand message and to act brand consistently. For example, telling the story of an 3M scientist who invented the legendary “Post-it”, while singing in a choir wishing he had bookmarks that would not fall out of the hymnal, transports values like creativity and innovation in a way customers, managers and employees are likely to understand similarly (Shaw *et al.*, 1998). With respect to the production of advertising campaigns it is finally recommended to pool advertising professionals as well as marketing and human resources managers precociously in order to create original as well as convertible advertising campaigns motivating employees to act brand consistently (Wolfenbarger and Gilly, 2005, 1991; Gilly and Wolfenbarger, 1998). In addition, it is conceivable to cast employees for the ads in order to increase the credibility of the spot and in order to guide employees through advertising role models to show them how to act brand consistently in real life situations.

### Limitations and future research directions

This study has several limitations that should be addressed in future research. First, restricting the sample to marketing managers is limiting. Future researchers within the field of brand consistent marketing control should aim to address employees in order to afford a concluding judgement regarding the effectiveness and acceptance of the given marketing control instruments. Second, advancements of the behavioural branding quality-scale are required in order to acquire brand relevant facets of employee behaviour in more detail. Finally, future research is needed focussing on the effect of advertising on employees. Although some interesting implications can be found in the work of Wolfenbarger and Gilly (Wolfenbarger and Gilly, 2005; Gilly and Wolfenbarger, 1998; Wolfenbarger and Gilly, 1991) more detailed research is needed in order to investigate success drivers of advertising campaigns affecting customers as well as brand consistent employee behaviour.

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### Further reading

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## Executive summary and implications for managers and executives

*This summary has been provided to allow managers and executives a rapid appreciation of the content of the article. Those with a particular interest in the topic covered may read the article in toto to take advantage of the more comprehensive description of the research undertaken and its results to get the full benefit of the material present.*

### Living the brand: ensure consistent employee behaviour

One of the secrets of parenting that only reveals itself slowly is that kids may listen to what a parent says, but its impact on their behaviour is often marginal at best. More likely they will watch what a parent does and emulate it.

In a business context, “do as I say not as I do” is usually only ever said with a smile or as part of a tacit admission of failure. The fundamental lesson of any leadership program is to “walk the talk”. Corporate mentoring programs are thriving because companies hope that newer more impressionable managers will assimilate some of the better habits of the more experienced.

So research by Sven Henkel, Torsten Tomczak, Mark Heitmann, Andreas Herrmann of the University of St Gallen in Switzerland strikes a chord. They set out to show that brand success could be improved if each employee of the company owning the brand lives up to the brand promise that is communicated through mass media campaigns.

To their customers, particularly in service businesses, the employee they meet is the company. They need look no further for evidence as to whether the company is good or bad, or lives up to its expensively proclaimed promises. Readers of the *Journal of Product & Brand Management* probably need look no further than recent business trips and experiences at airports to relate to this point. Many an airline has metaphorically come crashing down by the boorish behaviour of a frontline member of staff at the check-in desk.

It is simple to state, but hard to live up to that employees need to live the brand. Yet some companies manage it, and thrive in these savvy times of the well-informed consumer who expects promises to be kept, while looking for signs that the advertising messages are mere hogwash.

### It is about more than training

The University of St Gallen study surveyed 167 senior-level marketing managers based in Germany and Switzerland. It explored a number of often inter-related hypotheses, namely that:

- the higher the degree of formal control, the higher the employee performance;
- the higher the degree of formal control, the higher the quality of behavioural branding;
- the higher the degree of informal control, the higher the employee performance;
- the higher the degree of informal control, the higher the quality of behavioural branding;

- the higher the degree of employee empowerment, the higher the employee performance;
- the higher the degree of employee empowerment, the higher the quality of behavioural branding;
- the more brand congruent the mass media communication, the higher the employee performance;
- the more brand congruent the mass media communication, the higher the quality of behavioural branding;
- the more brand congruent the mass media communication, the higher the brand’s contribution to success;
- the higher the employee performance, the higher the quality of behavioural branding;
- the higher the employee performance, the higher the brand’s contribution to success; and
- the higher the quality of behavioural branding, the higher the brand’s contribution to success.

Central to the study is the previously proved assertion that behavioural branding determines the brand’s contribution to company success. How then can employee performance be developed in a way that consistently encourages behaviours that are aligned with the values of the brand?

Many businesses focus on developing a corporate culture that supports what they are seeking to project. It means, among other things, developing and living up to values that feel authentic. The results of the St Gallen study are a bit more specific, showing that informal management and employee empowerment have a far stronger impact on the brand consistency of employee behaviour than formal management instruments. For some businesses this will be a stretch, yet it would seem to provide buy-in and “ownership” among the motivated.

The truth is that brand consistent employee behaviour needs to be a critical success factor for managers. The central hypothesis, that continuous brand success can be improved if the brand promise that is communicated through a company’s mass media campaigns is lived up to by each of its employees. The evidence of the survey supports this proposition.

The study also points to the fact that more than training is necessary to consistently get the desired behaviours. Simple stuff can be taught, but real buy-in develops the more sophisticated, complex behaviours truly needed to ensure success. Training of frontline staff is needed, but something deeper is needed. Employees need to believe in their company, their brand and themselves. True empowerment holds the key.

Like many management theories that gained faddish status, empowerment sort of went away, but now has returned, ready to be harnessed by the brave and farsighted. Rediscovering the 1990s in the noughties may just hold the key to the next decade.

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