

The Role of Brand Identity, Image, Loyalty and Employee Brand in PNU Brand Strategy

MohammadTaqiAmini¹, Mostafa Ahmadinejad²

¹Associate Professor, Department of Business Management, Payame Noor University, Tehran, Iran

²PhD Student in Business Management, Payame Noor University, Tehran, Iran

ABSTRACT

Nowadays like capital, brand too creates value for the organization and its products and therefore in many cases brand promotion has become organization strategy. A brand cannot be operated without a strategy, and utilizing brand strategy is the function of brand management. From the view point of function, strategy is an approach that creates value for customers and the competitive advantage for organizations. With regard to the importance of brand strategy, its execution at Payam Noor University (PNU), the largest university in Iran, is studied in this research. The statistical population of research comprised of 196 persons such as managers, faculties, and experts of PNU. On the basis of the conceptual framework, the execution rate of brand strategy has been studied in the fields of brand image, brand identity, brand loyalty, internal marketing, and employee brand. The results of T-Student test show the university has been successful only in students' loyalty management and its performance has not been successful in other aspects. In the end, the applied suggestions have been presented on the basis of the results of research.

KEY WORDS: Brand Strategy, Brand Image, Brand Identity, Brand Loyalty, Employee Brand, Internal Marketing

INTRODUCTION

As the current economic environment becomes more competitive and introducing new brands becomes increasingly costly, companies must find new strategies to increase their capacity and competitiveness (Lipponen et al., 2004; lee et al., 2009). Developing brands in the contemporary marketing environment poses unique challenges for marketers (Cliffe, Motion, 2005). The understanding that brands generally comprise goods and services elements has lead to the realization that intangibility and variability influence performance and, consequently, the development and maintenance of consistent brand associations and depth of brand meaning (De Chernatony and Dall'Omo Riley, 1999).in brand strategy, delivering a comprehensive brand experience is becoming paramount, whereby "marketing and external communications help build the brand, but nothing is more powerful than the customer's actual experience" (Berry, 2000, p. 136).

Despite the perceived strategic importance of corporate brands there appears to be a lack of empirical research that focuses on the praxis of corporate branding, i.e. on the ways in which brand strategies are managed in the day-to-day of the organization (Ja'rventie-Thesleff, 2011). Relatively little empirical research has been focused on the specific activities, processes and routinized practices through which corporate brand strategies are developed and implemented in the organization (Ja'rventie-Thesleff, 2011). Studying the execution of brand strategy at PNU, the largest governmental university in Iran, is the purpose of this research. For this purpose the aims of brand strategy are generally divided into two categories including employees and customers, and the rate of focus and achievement of objectives of brand strategy are studied according to the conceptual framework presented in this research.

1. LITERATURE

1.1. Brand Strategy

Nowadays like capital, brand identity too creates value for the organization and its products, and therefore in many cases brand promotion has become organization strategy.

Corresponding author: Mostafa Ahmadinejad, PhD Student in Business Management, Payame Noor University, Tehran, Iran. E- mail: Ahmadinejad@phd.pnu.ac.ir, Tel:(++98) 912 638 0493

A brand cannot be operated without a strategy, and operating brand strategy is the function of brand management. From the view point of function, strategy is an approach that creates value for customers and the competitive advantage for organizations. The major function of strategy is to create the competitive advantage for organizations. The effectiveness of strategy depends on the created competitive advantage and its stability over time.

1.2. Brand image, Identity and Loyalty

Brand image is defined by Keller (1993, p. 3) as “the perceptions about a brand as reflected by the brand associations held in consumer memory” (Arslan, 2010). In other words brand image is what comes to the mind of the consumer when a brand name is mentioned (Arslan, 2010). Keller (1993) goes on to explain that there are three important aspects of image: favorability, strength and uniqueness of brand associations. The aim of every firm is to create favorable and positive associations about the brand which results in a positive image of the brand (Keller, 1993). Corporate image, organizational image or institutional image is understood as a set of perceptions that people have of organization. According to Vos (1992) the corporate image is the image of the organization as it is experienced by the various stakeholders. Potential applicants have created perceptions of the organization. The corporate image is based on their perception of what kind the organization is as an employer (Heilmann, 2010).

Brand identity is a unique set of brand associations implying a promise to customers and includes a core and extended identity (Ghodeswar, 2008). Core identity is the central, timeless essence of the brand that remains constant as the brand moves to new markets and new products. Core identity broadly focuses on product attributes, service, user profile, store ambience and product performance. Extended identity is woven around brand identity elements organized into cohesive and meaningful groups that provide brand texture and completeness, and focuses on brand personality, relationship, and strong symbol association (Ghodeswar, 2008). To be effective, a brand identity needs to resonate with customers, differentiate the brand from competitors, and represent what the organization can and will do over time (Aaker and Joachimsthaler, 2000). Brand identity as per Gylline and Lindberg-Repo (2006) is defined as a set of brand association the marketers is aiming to create and obtain (Srivastava, 2010). Brand identity and brand image are related but distinct concept as both are essential ingredients of strong brand (Nandan, 2005). Identity has originated from earlier action of a brand (Vytautas et al., 2008). Therefore, understanding of brand identity signifies that attitude towards brand is being changed. Importance of brand in the market is influenced by company's ability to evaluate the fact how consumer interprets the image of brand and company's ability to manage the brand strategy (Srivastava, 2011). Positive image is build through conveying brand identity to consumer efficiently (Vytautas et al., 2007). Brand loyalty can be created and maintained by strong identity-image linkage (Srivastava, 2011).

Among the concepts used to describe a strong brand, brand loyalty is perhaps the one that has received the most attention by academics and practitioners (Malai and Speece, 2005; Tsao and Chen, 2005). For that reason, there are several definitions and measures of brand loyalty; some focus on the attitudinal dimension and others focus on the behavioral aspect of brand loyalty (Gee et al., 2008; Nguyen, et al, 2011). In this study, brand loyalty “is a deeply held commitment to re-buy or re-patronize a preferred brand consistently in the future, despite situational influences and marketing efforts having the potential to cause switching behavior” (Oliver, 1997, p. 392). Brand loyalty is a valuable asset for every brand. Brand loyalty originally referred to consumers' repeated purchasing. Repeat purchasing, however, may only indicate consumers' temporary acceptance of a brand (Shang, 2006). Research has indicated that the cost of recruiting new customers is very high due to advertising, personal selling, establishing new accounts, and customer training (Mittal and Lassar, 1998). More importantly, profits generated by loyal customers increase significantly over time (Nguyen, et al, 2011).

1.3. Employees Brand

Employees brand forms their behavior, in such a manner that brand identity of the company's products is designed through their daily work behavior (Harquail, 2007). In the simplest definition, it means that what the employees' planning is about their culture and organization. They must be able to serve themselves and their organization as representative of brand (Miles, Mangold, 2004). Michington defines employee brand as follows: “Employee Brand” is an image which is induced the foreign audiences by their behaviors, moods, and activities. Employees who are allied with brand identity of their organization to render the higher

quality services to customers and hence increase the chance of repeat business. Employee brand is important for two reasons: first, employees are carrying the brand of organization. Customers will be committed by brand, therefore, the organization culture, policies, mission, and vision of organization is implication on employees' training. Second: belittling staff is growing and organization need create a good internal brand for having motivated forces(Harquail, 2007).

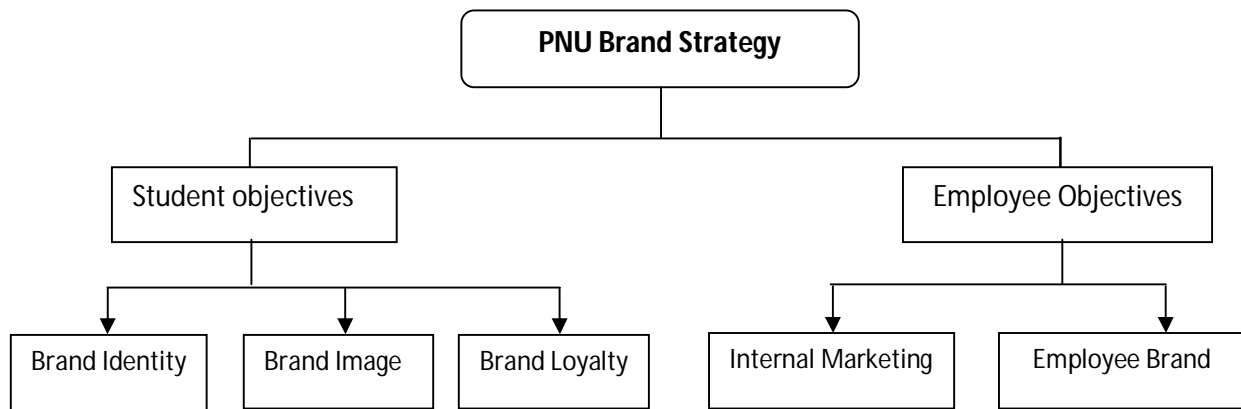
1.4. Internal Marketing

Since its appearance in the 1970s of the last century, the internal marketing concept (IMC) has been traditionally associated with several different firms' objectives (Vasconcelos, 2008). Thus, Flipo (1986), for example, has noted the importance of creating enthusiasm, adequate behavior, and respect for the general marketing strategy among the contact personnel. Chang and Kelly (1994), in turn, remarked that any customer satisfaction effort should be first preceded by improvements in internal customer relationships (Vasconcelos, 2008). Several IM definitions have been developed over the years and all have at their heart the notion of viewing and treating employees as internal customers (Papazolomou, 2006). "Internal market of employees is best motivated forservice-mindedness and customer-oriented behaviours by anactive, marketing-like approach, where marketing-like activitiesare used internally" (George and Gro'nroos, 1989). Bekkers andVan Hasstrecht (1993) define IM as: "Any form of marketingwithin an organization which focuses staff attention on theinternal activities that need to be changed in order to enhanceexternal market place performance." Internal marketing focuses on people inside organizational boundaries and places emphasis on the satisfaction of employee needs (Ahmed and Rafiq, 2003; Zampetakis, 2007).

1.5. Conceptual Framework of Research

Based on the study of subject literature and the survey of researches done in the field of brand strategy, the conceptual model of this research has been selected based on the research of Cliffee and Motionb, (2005). This model has been selected because of the relative comprehensive and taking into consideration the internal and external organizational aspects of brand. This conceptual model is presented in figure 1.

Figure1. Research Conceptual Framework



Source: Based on Cliffee and Motionb (2005)

1.6. Hypothesis

H₁: Following the execution of brand strategy, management of brand image is taken into consideration.

H₂: Following the execution of brand strategy, management of brand identity is taken into consideration.

H₃: Following the execution of brand strategy, management of brand loyalty is taken into consideration.

H₄:Following the execution of brand strategy, internal marketing is taken into consideration.

H₅: Following the execution of brand strategy, creation of employee brand is taken into consideration.

2. RESEARCH DESIGN AND METHOD

2.1. Data collection

Data was collected by the means of a survey conducted in PNU in 2011. In this research, our statistical population includes Managers and faculties' member of PNU. According to Krejcie and Morgan, sample volume was determined as 196 persons. A total of 250 questionnaire forms were delivered to respondents of which 196 were returned giving a response rate of 74 percent.

2.2. Method

The main purpose of this research is evaluation of PNU brand strategy. Cronbach's Alpha method has been used in a way that the amount of Alpha has been measured by SPSS software. The amount of Alpha related to each variable can be seen in Table 3 According to Nunnally, if cronbach Alpha is more than 0.7, the questionnaire is reliable (sekaran, 2006). Since the amount of Alpha related with each variable and total of Alpha are more than 0.7, our questionnaire is reliable.

Table 1: The amount of cronbach α

Variable	A
Brand Image	.851
Brand Identity	.854
Brand Loyalty	.767
Internal Marketing	.852
Employee Brand	.853
Total	.925

3. RESULTS

67 percent of respondents are male and others are female. 65 percent of respondents have work experience for 10 - 15 years and 2 percent of them served for 25 years. Their courses of studies are as follows: 47 percent: holder of PhD (doctorate degree), 20 percent: holder of master's degree, 15 percent: holder of bachelor's degree, 17 percent: holder of lower than bachelor's degree. The one-sided "T-Student" test has been used for studying the implementation rate of brand strategy at PNU and testing the hypotheses of research. According to the respondents' opinion at PNU and the results of test shown in table 4, the rate of focus and planning on the implementation of management of brand image ($t = -10.579$, $p < 0.05$, mean = $2.52 < 3$) and brand identity ($t = -10.884$, $p < 0.05$, mean = $2.51 < 3$) are at an undesirable level (fewer than average). Consequently, the first and second hypotheses are rejected. While following the execution of brand strategy, from the viewpoint of the respondents at university, management of brand loyalty is taken into consideration at a desirable level ($t = 3.108$, $p < 0.05$, mean = $3.16 > 3$). Consequently, the third hypothesis of research is confirmed. According to the respondents' view, the results also show that the rate of focus on employee brand ($t = -7.888$, $p < 0.05$, mean = $2.57 < 3$) and internal marketing at university are at an undesirable level ($t = -8.081$, $p < 0.05$, mean = $2.57 < 3$). Consequently, the fourth and fifth hypotheses are rejected.

Table 2: The Results of T-Student Test

	Test Value-3				
	T	df	Sig. (2-tailed)	Mean	Mean Difference
Brand Image	-10.579	195	.000	2.52	-.47024
Brand Identity	-10.884	195	.000	2.51	-.48384
Brand Loyalty	3.108	195	.002	3.16	.16497
Internal Marketing	-7.888	195	.000	2.56	-.43707
Employee Brand	-8.081	195	.000	2.56	-.43197

4. Conclusion and Suggestions

1. Brand image is an idea that has been created by the impacts and experiences of brand and can be likened to the understanding or influence of brand (Dunkan, 2005). University image has a lot of consequences and effects on loyalty and satisfaction. Results of some studies show that university image and its reputation have a great effect on keeping the loyalty of students (Nguyen and

LeBlanc, 2001; Helgesen and Nasset, 2007). Brand image is the most important and influential over the loyalty of post graduate studies students.

2. Brand identity should reflect the business strategy and also show the tendency of a company towards investment in the required programs of brand which gives life to the company's obligations to customers (Aaker and Joachimsthaler, 2000). With regard to the importance of brand identity and the existing competitive conditions, operating the programs of compilation and implementation of university brand identity management is recommended to policy makers and the planning managers of university.
3. Organizations seek to keep the loyal customers. Based on theoretical fundamentals and the results of similar researches, there is a direct relationship between brand image and brand loyalty. In this research, because the rate of focus on brand image at university is at the low level, it was expected that the rate of brand loyalty should be also at a low level. The rate of brand loyalty is at a desirable level in spite of brand image. The reason is that other factors can be effective on loyalty. These effective factors include cost of effectiveness, development of university branches of throughout the country, variety of fields of study, re-election, and recommendation of a university to others.
4. Internal marketing consists of attracting, developing, motivating, and maintaining the quality of employees through a job as a product and providing their requirements. With regard to the results of research, the following measures are recommended to the university: attracting, developing, motivating, and creating communications of its human capitals based on a comprehensive system. Because the satisfactory of customers shall be achieved through the satisfactory of employees.
5. The employees of organization should be informed about the desired brand identity of organization and have a tendency to planning for its internal and external identity. If brand identity is not internalized by employees, customers' expectations created by external marketing will be destroyed easily. (Boorman and Zeelin, 2005). Therefore, following the execution of brand strategy, employees and human capital of university are considered as one of the most important elements in branding and training programs should be held for branding of employees.

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