This ad's for you... and you:

Brand management for multiple stakeholders

Abstract

Background:

In the competitive market for modern retailing, brand management is concerned with attracting and retaining both external and internal stakeholders. While brand building and marketing efforts have traditionally focused on building customer-based brand equity, another stream has emerged - internal branding that focuses on human capital and employee-based equity. Recent studies show that internal stakeholders also see and react positively to marketing communication, which implies that the traditional approach to marketing may be underutilizing its reach.

Purpose:

The purpose of this study is to empirically investigate how to portray a brand identity in a consumer ad to foster identification for both customers and employee. The results aim to provide concrete recommendations about how to maximize advertising spending.

Method:

The study is conducted in cooperation with a Swedish-founded international retailer, Retailer X. It uses a descriptive cross-sectional study design with survey-based data collection, with the majority of responses gathered in person at one of Retailer X's Stockholm locations.

Findings:

The results implicate that to target both employees and customers, Retailer X should communicate a brand identity that highlights organizational associations (company values). Doing so can indirectly build a dual-sided brand equity through identification by employees and customers. In addition, communicating product value in brand identity was found to positively influence customers only, and can thus build customer-based brand equity.

Key words:

Brand equity, brand identity, identification, marketing communication, stakeholders

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Table of Contents

Definitions	4
1. Introduction	5
1.1. Underexplored area: communicating identity for multiple stakeholders	5
1.2. Problematization	6
1.3. Purpose	7
1.3.1. Expected contribution	7
1.4. Delimitations	7
1.5. Outline	8
2. Theoretical framework and hypotheses	9
2.1. Literature review	9
2.2. Brand management	9
2.2.1. Brand identity	10
2.2.2. Brand equity	11
2.3. Using marketing communication to target employees and customers	12
2.3.1. Identification's value and role in brand equity	13
2.3.2. Constitution of brand identity	14
2.3.3. Brand presence	16
2.4. Overview of hypotheses	18
3. Methodology	19
3.1. Initial approach and selection of research area	19
3.1.1. Sector of investigation - retail	19
3.2. Scientific approach	20
3.3. Preparatory work for main study	20
3.3.1. Ad selection	20
3.3.2. Data collection	21
3.3.3. Pre-study measurements	22
3.3.4. Results	23
3.3.5. Conclusion	24
3.4. Main study	24
3.4.1. Pilot-testing the main survey	25
3.4.2. Data collection	25
3.4.3. Survey design	26
3.4.4. Analytical tools	29
3.4.5. Data quality	29
4. RESULTS & ANALYSIS	32
4.1. Preliminary analysis	32 32
	32
4.2. Main analysis	32
4.2.1. Brand identity perspectives and identification4.2.2. The moderating effects of brand presence	36
5. Discussion 5.1 Discussion of the moults	38 <i>38</i>
5.1. Discussion of the results	
5.1.1. Maximizing the power of brand identity perspectives (BIP) in marketing communication 5.2. Conclusions	38 <i>41</i>
	41 41
5.3. Managerial implications 5.3.1 Targeting employees and systemers	41
5.3.1. Targeting employees and customers 5.3.2. Targeting customers	41
5.3.3. Pitfalls to avoid	42
0.0.0. I IIIIII IO U II OIG	τ∠

5.4. Limitations	42
5.4.1. Design	43
5.4.2. Applicability	44
5.5. Areas for further research	44
6. References	46
7. Appendix	52
7.1. Main study survey	52

Definitions

Frequently used terms in the thesis are expanded upon below:

Brand equity: The value provided by the brand name of a product beyond the

value of the product itself (Aaker, 1996a). Brand equity can also

be thought of as the value of the brand name.

Brand identity: How the company *wants or intends* the brand to be perceived

(Aaker, 1996a).

Brand image: How the company's identity is actually perceived (Aaker, 1996a).

Identification: A concept that asks, "who am I in relation you?". A process

based on the human need for association with other people,

groups, and things. (Pratt, 1998)

Identity: A concept that asks, "who am I?" (Pratt, 1998). Identity is a

person's sense of who they are and the characteristics that

describe them.

Marketing External communication intended for customers, such as

communication: consumer ads.

Stakeholders: Individuals, or organizations that have an interest in an

organization. Stakeholders can be internal (e.g. employees), or

external (e.g. customers).

1. Introduction

The initial chapter introduces the research area and purpose of this thesis. It explains the study's delimitations and provides an overview of the thesis' structure. Theoretical and managerial contribution are reviewed.

1.1. Underexplored area: communicating identity for multiple stakeholders

Companies pay for strong brands, and rightly so. Strong brands contribute positively to financial measures, customer loyalty, market stability, and brand extension success, to name a few (Keller, 2001). Therefore, a major part of organizations' marketing spending is devoted to building and communicating the brand (Ailawadi et al., 2009).

Brand building activities creates the brand equity that takes a product from a commodity good to a differentiated good. Think of the world's most famous brands-- Apple, Coca-Cola, H&M; the value of these brands far exceeds the value that accounting measures can capture. Brands have identities that are communicated, detected, and to which people react. Just as people portray their identities to each other, brands also portray their identities. Instead of through face to face contact, identities are portrayed through marketing communication. Marketing communication has a wide reach and can affect other stakeholders than just customers, including but not limited to the retailer's employees (e.g. Bondesson & Rosengren, 2016; Celsi & Gilly, 2010). The function of marketing communication serves the purpose of brand identity well because it is human nature to search and reinforce one's identity by finding entities - people, groups, and indeed brands with which to engage in the process of social identification.

In recent decades, the identification process has garnered attention in both management and marketing circles (Cardador & Pratt, 2006) as issues of attracting and retaining both employees and customers is of utmost interest. Both fields have a common intent—to establish and strengthen relationships with their respective stakeholders. Identification is a human need, and marketing can capitalize on this need by creating an attractive brand. The value of identification provided for the company often results in positive effects like increased loyalty, word of mouth, new customer recruitment (Bhattacharya, Rao & Glynn, 1995) for customers, and motivation and pro-organizational behavior for employees (Pratt, 1998).

By using marketing communication's wide reach, companies can transmit their identities to

create identification for both internal and external stakeholders, thereby building brand equity. Given the potential benefit for both marketing and management function, this study aims to show how to create a brand identity that appeals to both employees and customers in the retail sector.

1.2. Problematization

Given the plethora of choices in the marketplace, a modern marketing battle is to stand out (Nyilasy & Reid, 2009) to different stakeholders. Because of this, different streams of branding have emerged within the same firm; internal (HRM), and external (Marketing). Marketing focuses on building strong brand identities for customers (Aaker, 1996a; Keller, 1993), and HRM maintains employee-centered efforts such as employer branding or internal branding. However, both have the same aim of building brand equity.

Traditional marketing communication used to build brand equity targets only customers (Aaker & Biel, 2013). However, recent research shows that unintended audiences also react positively to marketing communication (e.g. Bondesson & Rosengren, 2016; Wolfinbarger & Gilly, 2005) which can result in identification (e.g. Bondesson & Rosengren, forthcoming; Gilly & Wolfinbarger, 1998). A review of literature in this field shows that identification in employees (e.g. Hughes, 2013) and customers (e.g. Bhattacharya & Sen, 2003) is an underexplored tool in building a brand. This opportunity exists to investigate marketing communication as a tool to build brand equity, via identification, for both employees and customers.

Our research focuses on the intersection of employee and customers with marketing communication, namely consumer advertising, and communicated brand identity.

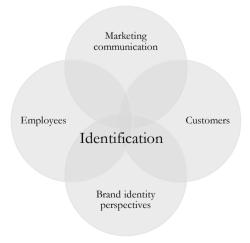


Figure 1: Research area

1.3. Purpose

The purpose of this study is to empirically investigate **how to portray a brand identity in a consumer ad to foster identification for both customers and employees.** In that sense, this thesis will investigate how different brand identity components relate to identification. More specifically, using a consumer ad and measuring both employees and customers we aim to explore (1) how different brand identity perspectives are perceived, (2) what different brand identity perspectives drive identification, and (3) the moderating effects of brand presence on identification.

1.3.1. Expected contribution

We want to provide evidence of how to create effective marketing synergies between HRM and Marketing departments by addressing their shared goal. Our study is expected to provide meaningful incentives for external branding to integrate opinions of internal stakeholders as a way to increase overall brand equity.

This study intends to contribute theoretically by operationalizing and measuring brand identity perspectives (Aaker, 1996a). We contribute to literature on how advertising creates identification and how unintended stakeholders are effected by consumer advertising by introducing a new angle: studying employees' and customers' reactions simultaneously.

1.4. Delimitations

The study is delimited to investigating brand identity from a social identification perspective. The concept of brand identity and brand equity are rooted in Aaker's (1996a). We investigate how different brand identity perspective in a consumer ad are related to identification, and if presence of the brand has a moderating effect on this relationship.

Because of interest in investigating real life scenarios and collecting 'live' data, we cooperated with a company, a specific Swedish-founded international retailer, Retailer X. The choice was based on the relevance of the retailer for the majority of people and available resources at the company. We narrowed the focus to the two largest stakeholder groups: employees and consumers of Retailer X. The respondents are both female and male in the Stockholm area ages 19-69.

The type of marketing communication used is existing, current consumer ads belonging to

Retailer X. The ads are in print format and focus on emotions rather than product promotion. The study is delimited to how ads affect respondents in the short-term, as they were only exposed to the stimuli once.

1.5. Outline

This thesis has five chapters: (1) Introduction, (2) Theoretical framework, (3) Method, (4) Results and Analysis, (5) Discussion. **Chapter 1** introduces the background of the topic investigated and the current deficiencies. Purpose and contributions are described, and the delimitations of the study are presented. The remainder of the thesis is as follows: **Chapter 2** reviews literature critically and generates hypotheses based on connections between the literature and the problem area. **Chapter 3** presents the research approach, the pre-study, and the main study. **Chapter 4** discusses the main study's results based on the hypotheses from Chapter 2. In **Chapter 5** we analyze these results in relation to the theoretical framework and discuss both practical and theoretical implications, limitations of the study, and suggested further research.

2. Theoretical framework and hypotheses

We review research from the fields of marketing and management. This chapter is comprised of the literature review based on the problematization with corresponding hypotheses. This serves as the basis for the empirical analysis.

2.1. Literature review

This section begins by introducing the concept of brand management and how it is executed internally and externally. We look at the concept of brand identity and how it is created and maintained. Brand identity explains how intangible aspects create value for companies—by building brand equity. Both customer-based and employee-based brand equity is reviewed. Communication is discussed as a medium of disseminating identity to both internal and external stakeholders, allowing the process of identification to occur. The origins of identification in psychology and sociology are explored to show the importance of this process in a business context. Hypotheses will be generated throughout the literature review and summarized in an overview at the conclusion of this section.

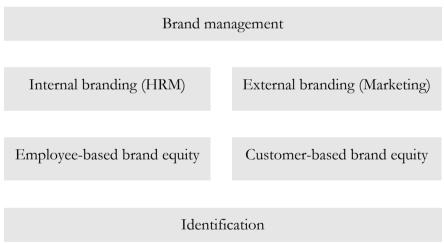


Figure 2: Literature overview

2.2. Brand management

Brand management is a concept that encompasses the creation and maintenance of identity for a brand (Aaker, 1996a). Brands are one of a few organizational assets that have the potential to yield long-term competitive advantage (Kapferer, 2012). Today, the majority of companies need to have a strong and defined brand to survive in a competitive market. Companies compete not only for customers, but for employees as well (Tavassoli, Sorescu, & Chandy, 2014) requiring a

powerful, holistic brand management strategy to stay afloat. This threat has been especially prominent in the retailing world facing increased competition from low-cost actors and private labels (Kapferer, 2012). Brand management has gained attention from both practitioners and the academic world. It is acknowledged as important strategic tool to fully exploit the assets of an organization (Pappu, Quester, & Cooksey, 2005). However, the concept of brand management has developed in two different streams: external and internal.

Brand management has principally been concerned with customers relationships but has recently been expanded to include employees as a target (Bravo, Matute & Pina, 2017; Burmann, Jost-Benz, & Riley, 2009). Internal brand management has garnered more interest in the service sector, but it is arguably relevant for retail employees who have close customer contact (Anselmsson et al., 2016). A similar concept is employer branding which has become more popular in the recent decades as a way to recruit new employees (Moroko & Uncles, 2008). Despite focusing on building value for different stakeholders, all brand building efforts have the same aim—to obtain new stakeholders and maintain existing relationships.

2.2.1. Brand identity

Brand identity has been a subject of academic debate since the early 1990's which has led to the development of many complex and multidimensional identity frameworks (e.g. Aaker, 1996a; de Chernatony, 1999, 2010; Kapferer, 1997, 2012; Simões, Dibb & Fisk, 2005; Suvatjis, de Chernatony & Halikias, 2012). Different terms are used to discuss identity, and it can be referred to as corporate identity (e.g. Dacin & Brown, 2002) or brand identity (Aaker 1996a, 1996b). The key difference is that corporate identity acts as an umbrella for several brands while individual brands often have unique identities (Aaker & Joachimsthaler, 2000). Despite existing frameworks, there remains a problematic lack of concrete identity measures (Bravo et al., 2017; Coleman, de Chernatony & Christodoulides, 2011) and theoretical convolution. Aaker (1996a) extends identity from product focus to include humanistic, value-based associations in a simplified explanation of different identity perspectives. While his framework may not reflect the complications of reality, it provides a sound foundation for developing strong brand identities. Therefore, his model serves as the conceptual framework this study.

When conceptualizing the brand identity, there is an important distinction between brand identity and brand image despite semantic similarity. The brand identity is how the company wants the brand to be perceived regarding its desired associations, while the brand image is how

the brand is actually received (Aaker, 1996a; Margulies, 1977). In other words, brand identity represents the sender's intended brand message and can be controlled, while brand image is the receiver's decoded brand message (Kapferer, 1992). One needs to bear in mind that brand image is distinct from reputation because reputation is the perception of the brand's overall ability (Bick, Jacobson & Abratt, 2003). Brand image is not limited to just customers' perceptions but also includes the perceptions of employees. Thus, brand management, both from an internal and external perspective must engage in the issue of building strong brand identities.

2.2.2. Brand equity

Brand identity has the strategic purpose of creating brand equity (Biel, 1993). Firm value is comprised of tangible (financial measures) and intangible assets (brand equity) (Joshi & Hanssen, 2010). Intangible assets have been proven to be a better predictor of success (Ittner & Larcker, 1998) than, for example, sales and profits. Brand equity revolves around the difficult task of categorizing and measuring the intangible value of a brand (Aaker, 1996a; Aaker & Joachimsthaler, 2000; Keller & Lehmann, 2003). Different practical approaches to measurement have emerged such as EquiTrend, Millward Brown's BrandZ, and Young & Rubicam' brand asset valuator. Brand equity can be distinguished into two views: customer-based (e.g. Keller, 2003) and employee-based (e.g. King & Grace, 2010). Customer-based is the value of market behavior, and employee-based is concerned with the value of human capital. However, employees are often also customers, especially in retail (Bondesson & Rosengren, 2016). This fact implies that employees can contribute to brand equity not only through their value as internal stakeholders, but also as customers.

If employees are not also targeted in marketing communications aiming to build customer-based brand equity, brand equity's potential is not fully realized. As Aaker (1996b) argues that brand equity should be measured across different product categories, we argue that the customer-based equity should be considered across external stakeholders as well. In a competitive business climate, companies need to maximize their potential brand equity using available tools.

The gap between Marketing and HRM branding efforts can be minimized by managing identity associations/differentiation (hereafter shortened to associations). Associations is one of the five components of brand equity¹ and is concerned with brand-customer relationships. Several

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¹ Brand equity is comprised of loyalty, perceived quality/leadership, associations/differentiation, awareness, and market behavior. See Aaker (1996a, 1996b) for a more detailed description.

theories acknowledge the importance of associations (e.g. Aaker, 1996b; Keller, 2003) as they are the "heart and soul of the brand" (Aaker, 1996a, p. 68) and sit at the core of brand identity (Aaker & Biel, 2013). Associations must be communicated to a receiver (de Chernatony, 2010) via identity to build brand equity. Upon perception of a brand identity, the receiver creates a brand image that acts as a basis for their relationship with the brand. How this image is received dictates the type of relationship established and how it drives subsequent components in brand equity such as loyalty, awareness, and perceived quality (Aaker, 1991, 1996b; Keller, 1993). Communication is therefore an essential part of brand management as it creates the brand image (Biel, 1993).

2.3. Using marketing communication to target employees and customers

Communication is not an explicit component of brand equity, but a channel used to convey the brand identity (Coleman, de Chernatony, & Christodoulides, 2011). Marketing communication can take a variety of shapes (Whetten & Godfrey, 1998) and advertising is the most controllable form (Bhattacharya & Sen, 2003). The ability to communicate a defined identity is a strong asset for brand equity (Aaker, 1996b) and having meaningful and novel ads is even more important in a time where customers are overwhelmed with information (Ang, Lee & Leong, 2007). Through an advertisement, companies can portray visible and memorable associations for the brand (Gilly & Wolfinbarger, 1998) and differentiate it from competitors.

Marketing communication is generally intended to create firm value from one single audience but other internal stakeholders, such as employees, often take notice and react (e.g. Bondesson & Rosengren, 2016; Hughes, 2013; Wolfinbarger & Gilly, 2005) through what is called a 'spillover effect' (Melewar, 2003). In fact, employees pay as much attention to marketing communication as the average customer (Hughes, 2013). Employees' view of how advertising is perceived by customers can have beneficial effects on employees in respect of motivation, identification, and behaviors (Bondesson & Rosengren, 2016; Gilly & Wolfinbarger, 1998; Hughes, 2013; Wolfinbarger & Gilly, 2005). For example, Bondesson and Rosengren's (forthcoming) study shows that employee perceptions of marketing communication effectiveness has an impact on organizational identification.

Firm value remains below its full potential (Bondesson & Rosengren, 2016) if companies do not take into consideration other stakeholders' reactions. We focus on marketing communication (i.e. consumer ads) as a communicator of identity and thus a catalyst for building brand equity.

2.3.1. Identification's value and role in brand equity

Brand identity, portrayed successfully, can lead to identification. Identification, in turn, builds brand equity through strengthening associations. The power of identification in a business setting has gained momentum in recent decades because creating identification between employees and brands or customers and brands has proven to be a driver of concrete outcomes. For example, customers who identify with brand also commit to it more strongly (Casalo et al., 2008), engage in word of mouth (Bhattacharya & Sen, 2003; Podnar, Golob, & Tuskej, 2013), and are more willing to pay a price premium (Belén del Río, Vázquez, & Iglesias, 2001; Homburg, Wieseke, & Hoyer, 2009). Likewise, employees' identification with a brand is linked to decreased turnover, and pro-organizational actions (Cardador & Pratt, 2006; Pratt, 1998). Thus, it is an issue that has been taken up in both marketing and management realms.

Identification is rooted in social identity theory (SIT) - a social psychological concept - and refers to the human need to identify oneself compared to others (Tajfel & Turner, 1979). Individuals categorize themselves with identities to make sense of the world around them (Ashforth, 2000). They engage in the process of identification by first detecting a person or group (or brand) identity and then comparing one's own identity, such as values, attitudes, and beliefs (Festinger, 1962). If there exists an overlap, then identification can occur. Though brands are not human, they can have human characteristics (Ashforth & Mael, 1989) that are communicated in brand identity. This allows individuals to fulfill self-definitional needs through association with a brand identity (Baumgarth & Schmidt, 2010; Bhattacharya & Sen, 2003).

Literature on identification process has developed in two streams based on roles: an organizational member perspective (organizational identification) (e.g. Cheney, 1983; Mael & Ashforth, 1992) and a nonmember perspective (customer-company or customer-brand identification) (e.g Bhattacharya & Sen, 2003; Podnar, Golob, & Tuskej, 2013). Although a distinction is made between the member and nonmember perspective, there is crossover considering SIT because identification (1) refers to an individual's self-definition and inclusion in an organization (2) does not depend on membership in the organization, instead it only has to reflect the individual's self-concept (Bhattacharya & Sen, 2003; Pratt, 1998; Tajfel & Turner, 1979) (3) ought to be managed through communication that appeals to one's self-concept (Dacin & Brown, 2002). The fact that the identification process is the same for employees and customers allows us to draw conclusions about both groups.

Since the brand image is considered 'external,' brand associations are usually considered to be customers' associations. However, it is not only customers who can form opinions about the portrayed identity. Internal stakeholders also receive the communicated identity and create a perception of the brand (Bondesson & Rosengren, 2016). The value of association is more deeply seated than one might think. It is human nature to seek out associations and to identify with the ones they find attractive (Tajfel, 1974). Brands' equity depends on creating associations and can be created through communication (Aaker & Biel, 2013) which explains why organizations are interested in fostering identification in their stakeholders.

2.3.2. Constitution of brand identity

If identification with a brand identity is deemed self-fulfilling, brand-specific associations are built. A way to conceptualize possible sources of associations is through breaking down the brand identity into different brand identity perspectives (BIP). Brand identity is composed of three facets, or perspectives: (1) brand as person, (2) brand as organization, and (3) brand as product.² It is important to note that identity is not limited to just one identity perspective. In fact, different perspective add depth to identity given that they are relevant and appropriate. (Aaker, 1996b)

2.3.2.1 Brand as person (brand personality)

The 'brand as person' perspective "suggests a brand identity that is richer and more interesting than one based on product attributes" (Aaker, 1996a, p. 83). Though brands do not have human characteristics per-se, they have characteristics and personalities that can be described as a 'pseudo-person' (Aaker, 1997). It concerns the maintenance of customer relationships.

Personality is more dynamic as opposed to organizational associations that are ingrained.

By providing individuals a personality basis for their psychological and social satisfaction, brands can maintain relationships. It is natural that customers have a personal view of the brand and how they perceive the brand personality. However, employees have more knowledge about the brand and its customers, which is why they also recognize the signals of brand personality. Because of employees' embeddedness with the brand, they can detect it more easily than customers.

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² Though (4) brand as symbol is included in the brand identity model (Aaker 1996a), it is considered a component in brand awareness rather than associations/differentiation when situated in brand equity and thus not included in this study.

H1a: Employees report a higher perception level of 'brand as person' than customers.

The fact that employees should more easily detect brand personality does not imply they will more easily identify with it. In the process of social identification, all individuals see characteristics which with they associate. People seek these attributes in brands as well. While brand personality reflects user image (Kuenzel & Vaux Halliday, 2008), both employees and customers have made an active choice to be stakeholders for the brand. They should therefore have "consensually shared personalities" (Ahluwalia, Burnkrant, & Unnava, 2000, p. 85). We argue that customers buying a brand and employees working for a brand also has the personality consistent with the self.

H1b: Perception of 'brand as person' positively influences identification for both employees and customers.

2.3.2.2 Brand as organization (organizational associations)

An understanding of what an organization stands for and its values has become increasingly important (Webster 1992). Marketing ought to be tied to greater issues than the product itself (Aaker, 1996b). Organizational associations represent the core of the brand and have a long-term vision as compared to the more fluid personality.

Customers are likely to have some knowledge about a brand's values and may be able to detect them in an ad. However, employees have a deeper understanding of the organizational values because they interact with the values daily. The values represented in an ad will be more easily perceived by employees.

H2a: Employees report a higher perception level of 'brand as organization' than customers.

Shared values act as strong incentives for individuals to identify with the brand. Both customers and employees make choices to affiliate with brands that match their values. As values are not only deeply rooted in the brand identity but also in the self-identity, individuals actually identify to some extent when they affiliate with brands. In a similar way as for brand personality, we

hypothesize that perception of organizational associations will lead to identification for both employees and existing customers.

H2b: Perception of 'brand as organization' positively influences identification both for employees and customers.

2.3.2.3. Brand as product (value)

Brand as product' revolves around the attributes (or value) associated with the product such as price, use, quality, and benefit. It is a fundamental aspect to include in the offering of a brand. If a brand is not able to offer differentiating benefits for customers, it will not be competitive in the market (Aaker, 1996a). Even though product is more tangible than personality or organizational associations, product benefits are not only functional; they can also be emotional (Aaker, 1996a).

Customers get more value from products than employees. However, employees know more about products that the brand offers. Therefore, they will be able to perceive the product perspective in an ad at a higher level than customers.

H3a: Employees report a higher perception level of 'brand as product' than customers.

Although we hypothesize that employees will perceive 'brand as product' at higher levels than customers, employees do not get the same utility from products as customers do. Since employees are more ingrained in the company, they use other emotional sources to identify with compared to customers who lack internal knowledge. Customers need the functional aspect and not just the emotional. Products may also provide symbolic consumption benefits (Kuenzel & Vaux Halliday, 2008) for customers who patronize the company, whereas this is not true for employees a priori.

H3b: Perception of 'brand as product' positively influences identification for customers only.

2.3.3. Brand presence

We adapt concepts of identity salience (Bhattacharya & Sen, 2003) and presence (Keller, Lehmann, & Farley, 2008) to encompass the idea of the distance from, or presence to a brand.

Salience activates different parts in the mind (Bhattacharya & Sen, 2003) and refers to the share of mind (Aaker & Biel, 2013). Presence should make it possible to assess external identities in relation to the self-identity according to theory on identity salience (Bhattacharya & Sen, 2003). The closer the presence of the brand, the more opportunity for overlap and identification to occur. However, identification is not static (Bartel, 2001) so presence can strengthen it.

Presence differs between stakeholders; it is higher for employees because the brand identity is more accessible due to daily interaction (Scott & Lane, 2000), but more variable for customers depending on their involvement with the brand (Bhattacharya & Sen, 2003) as well as the brand's visibility. However, marketing communication can be used to make a brand identity more available in the minds of both employees and customers.

H4: Brand presence moderates the effects in H1b, H2b, H3b for both employees and customers.

2.4. Overview of hypotheses

Variable	Hypothesis
Brand as person	H1a: Employees report a higher perception level of 'brand as person' than customers. H1b: Perception of 'brand as person' positively influences identification for both employees and customers.
Brand as organization	H2a: Employees report a higher perception level of 'brand as organization' than customers. H2b: Perception of 'brand as organization' positively influences identification both for employees and customers.
Brand as product	H3a: Employees report a higher perception level of 'brand as product' than customers. H3b: Perception of 'brand as product' positively influences identification for customers only.
Brand presence	H4: Brand presence moderates the effects in H1b, H2b, H3b for both employees and customers.

Figure 3: Overview of hypotheses

3. Methodology

The following chapter discusses the methodological approach used to explore the hypotheses. The study design is explained and categorized into preparatory work, the main study, and analysis. Also, the quality of data is examined.

3.1. Initial approach and selection of research area

Our interest lies in the retail sector, and we wanted to explore this realm from both management and marketing perspectives. We consulted Magnus Söderlund at the Center for Consumer Marketing (CCM) at The Stockholm School of Economics to narrow our interest to a concrete topic. Based on the lack of research, we agreed to focus on measuring consumer advertising across stakeholders. We then turned to Sara Rosengren, head of CCM, based on her expertise in this particular field.

We decided that the chosen literature areas, the retail sector, and research parameters were a suitable fit in agreement of our supervisor. The discussion's intent was that the chosen topic would not only contribute to current literature but also have practical significance in the industry.

3.1.1. Sector of investigation - retail

It was important to choose industries and retailers that are relevant for most people to increase generalization of the study (Bryman & Bell, 2011). Because we focus on marketing communication and use real consumer ads, it was also important that the chosen company regularly advertises.

We contacted 16 companies with local offices via email and asked if they had interest and resources available to participate. Two were open for collaboration under conditions of anonymity: an international retailer (Retailer X), and a Swedish retailer (Retailer Y). Both were investigated for the pre-study, but only the results for Retailer X will be reported because resource limitations on Retailer Y's side caused them to withdraw from the main study.

3.1.1.1. Retailer X

Retailer X is a well-known retailer operating worldwide. Retailer X has a long history in retail and is known for its best practice. Retailer X has established both a strong brand image and human resource management image.

3.2. Scientific approach

This study is based on previous theory and extensive research. Hence, a deductive research approach tested through a quantitative study is suitable. This approach allows our findings to explain relationships between BIPs and identification to prove or disprove hypotheses, making the results generalizable and transferable (Bryman & Bell, 2011).

To explore the research question, we employed a descriptive cross-sectional study design using a survey (Malhotra, 2010). Descriptive research is concerned about the nature of a situation in a certain setting. As it is often studied without a manipulation, makes it a suitable design for our study. It allows us to compare differences and similarities between employees and customers in retail without a control group, thus investigating real life and natural data. However, it can have its disadvantages such as limits to statistical validity and replication.

3.3. Preparatory work for main study

The pre-study had three aspects to investigate: (1) brand identity perspectives, (2) identity attractiveness, and (3) ad attitude.

Because brand identities can coexist (Aaker, 1996a), we first wanted to determine if it is possible to distinguish specific brand identity perspectives to represent an ad. According to SIT, people need human characteristics with which to relate. 'brand as person' and 'brand as organization' were the focus of the pre-study as these are intangible, ambiguous attributes and are difficult to compare because they represent the external (brand personality) and the internal (organizational associations) qualities. 'Brand as product' is a fundamental part of the offering and based on physical product attributes (Aaker, 1996a) visible in the chosen ads, and was therefore not tested.

Two variables were investigated to avoid bias in the main study. First, we wanted to ensure that the identity attractiveness for Retailer X was the same in both ads. Second, ad attitude was also tested to ensure no significant difference between the ads.

3.3.1. Ad selection

Print ads were chosen as consumer ad form because of their simplicity (i.e. easy to view) and controllable aspects (i.e. easy to identify differences between them) compared to, for example, television commercials. Our ads reflected the three defining components in print ads: brand, text, and picture (Dahlén, Rosengren, & Törn, 2008).

It was important that the ads were indistinguishable regarding message, information, and graphical content but the depicted scene differed similarly to Dahlen, Rosengren, & Törn's study (2008). Both ads have the same format and feature product information, price, logo, and slogan, but differed regarding the depicted scene. By maintaining consistency between the ads, we could control for stimulus-specific and idiosyncratic effects (Dahlén, Rosengren, & Törn, 2008; Modig, Dahlén, & Colliander, 2014) and focus on the brand identity element.

We used actual ads rather than simulated or fictional ads. This is an advantageous approach since it replicates real life communication and setting (Modig, Dahén, & Colliander, 2014), and in turn, increases ecological validity. We excluded ads focused on product promotion (Modig, Dahlén, & Colliander, 2014) as this limits the perspectives depicted. From a pool of 13 ads provided by Retailer X, two ads were selected with Retailer X's marketing manager and our supervisor. With our knowledge about Aaker's (1996a) model and advice from supervisor, we preliminarily classified one as 'brand as an organization' and the other as 'brand as a person' based on Aaker's (1996a) criteria to see if the results would support the classification.³

The first ad featurs a woman at a party sitting and opening a bottle of champagne with people dancing around her (Ad 1). The featured product is a stool. The second ad shows a mother sitting and tending to her daughter's skinned knee (Ad 2). The featured product is a lamp.

3.3.2. Data collection

The sampling method used for this study was non-probability, convenience sampling (Malhotra, 2010). Students were used for the pre-study and are considered a suitable sample for our research because they are potential employees as well as customers (Berthon, Ewing, & Hah, 2005). Also, since the main study was to be collected in store, there was little likelihood of overlap in respondents.

Responses were gathered 31 March and 3 April 2017 at Stockholm School of Economics and the Royal Institute of Technology. The data collection was carried out in a physical field and conducted on paper to control the research environment and to ensure that the circumstances

³ The initial plan for the study was to have an ad representing 'brand as person' and another representing 'brand as organization' and make a conclusion about which perspective in focus was most successful in creating identification.

⁴ For anonymity reasons, the ads are not included in this report.

around the respondents were optimal with the same conditions for each group (MacKenzie, Lutz, & Belch, 1986; Söderlund, 2010). The controlled environment improved the likelihood that respondents would answer as subjectively and as truthfully as possible. The allocation of ads was randomized to the extent possible by mixing the surveys (Söderlund, 2005).

3.3.3. Pre-study measurements

'Brand as person' and 'brand as organization' were measured using items derived from Aaker's (1996a) brand identity model perspectives. Though the model gives specific factors comprising each dimension, there exists no explicit measure. Thus, we crafted questions while keeping the content as close to Aaker as possible. The questions were created according to the rules for designing questions by Bryman & Bell (2011) as well as in discussion with our supervisor. We were careful to use simple and non-technical language with questions phrased as clearly as possible (Cooper & Schindler, 2011) to avoid misunderstanding. The other measurements, 'identity attractiveness' and 'ad attitude' were taken directly from established research.

Brand as a person was measured on a 7-point Likert scale (1=Strongly disagree; 7=Strongly agree). Respondents were prompted, "Based on the ad presented, please mark the extent to which you agree or disagree that the ad shows:" for four statements: (1) Retailer X has a personality, (2) I have no difficulty describing of retailer X's personality, (3) I feel I have a relationship with Retailer X and (4) I have a clear image of the type of person who shops at Retailer X. The responses were averaged into an index which excluded item 4 because this increased the internal reliability (Cronbach's alpha = .797).

Brand as an organization was measured on a 7-point Likert scale (1=Strongly disagree; 7=Strongly agree). Respondents were prompted, "Based on the ad presented, please mark the extent to which you agree or disagree that the ad shows?" for four statements: (1) I understand the culture of Retailer X, (2) I understand the values of retailer X, (3) I understand the type of people who work for retailer X and (4) I understand the strengths of retailer X. The responses were averaged into an index which excluded item 3 because this increased the internal reliability (Cronbach's alpha = .899).

Identity attractiveness (Bhattacharya & Sen, 2003) was measured on a 7-point Likert scale (1=Strongly disagree; 7=Strongly agree). Respondents were prompted, "Based on the ad presented, please mark the extent to which you agree or disagree that the ad shows:" for four statements: (1) Retailer X

is an organization with an attractive identity, (2) I like retailer X because it is different from other X companies, and (3). When I deal with retailer X, I feel good because they understand me. An index was created based on strong internal consistency (Cronbach's alpha = .830).

Ad attitude (Bondesson & Rosengren, 2016) was measured on a 7-point Likert scale (1=Strongly disagree; 7=Strongly agree). Respondents were asked, "What is your general impression of the ad you just saw?" for three items: (1) Bad/good, (2) Negative/positive, and (3) Unappealing/appealing. An index was created based on strong internal consistency (Cronbach's alpha = .918).

Gender was measured by prompting "Your gender" with the nominal answers (1) Male, (2) Female, and (3) Prefer not to answer.

3.3.4. Results

A total of 82 respondents participated in the pre-study (56% male, 42% female, 2% preferred not to answer). An exploratory factor analysis was performed on the two identity perspectives to check discriminant validity among questions grouped to test theoretical constructs. The results of the test confirmed that the question groupings used were appropriately indexed (KMO= .785, p< .05). All communalities were above .5 and Eigenvalue showed two components loading over 1. The rotated component matrix confirmed the components to support theoretical constructs with a cutoff of .5. 'Brand as person' and 'brand as organization' were tested with an Independent-Samples T Test between the ads, showing no significant difference in how the respondent perceived 'brand as person' ($M_{Ad1} = 5.00$, $M_{Ad2} = 4.90$, p = .710 >, n.s.) but a significant difference in 'brand as organization ($M_{Ad1} = 4.38$, $M_{Ad2} = 5.09$, p < .05).

To determine if identity attractiveness was consistent between the ads for Retailer X, an Independent-Samples T Test between the ads was performed. The result showed that the brand identity for the stimulus did not significantly differ (M_{Ad1} = 4.66, M_{Ad2} = 4.68, p= .929, n.s.), suggesting that Retailer X has no significant difference in identity attractiveness between the ads. This also ruled out confounding effects. Furthermore, the analysis included another Independent-Samples T Test to examine the respondent's ad attitude. We concluded that the ad

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⁵ For more thorough analysis, a confirmatory factor analysis (CFA) should be performed. However, this tool is not available in SPSS and the present method is considered sufficient for our study.

⁶ Varimax rotation with Kaiser normalization

attitude did not significantly differ between the ads (M_{Ad1} = 4.85, M_{Ad2} = 5.42 p= .068, n.s.). All tests were performed at a 95% significance level.

3.3.5. Conclusion

From the results, we can see that the mean values are all above the middle value (4) which also implies that the respondents view both brand identity perspectives in the ads. This suggests that in real life you cannot assign a specific brand identity perspective to an ad because often an ad represents coexisting brand perspectives. This is in line with Aaker (1996a) who says that brands can have several perspectives as part of their identities. This conclusion is not puzzling considering that real ads were used as opposed to fictive ads which could have been designed to maximize the depiction of the perspective in mind.

The insignificant difference in identity attractiveness and ad attitude indicated that the chosen ads were appropriate for use in the main study. Neither the general attitude towards the ad nor the attractiveness of the identity differed between the ads, which reduces the risk of bias in these factors influencing identification in the main study.

Results from the pre-study shaped the design of our main study. We shifted focus from assigning ads to specific perspectives to instead rating the respondents' perceived perception of each identity perspective in the ad. We included the full range of identity perspectives pertaining to brand equity thereby adding 'brand as product' (Aaker, 1996a) and adjusting the measures to encompass Aaker's full range of BIPs. The main, study, therefore intends to provide companies with a description of which brand identity perspectives (presented simultaneously) drive identification.

As mentioned, the pre-study also included a Swedish fashion retailer (Retailer Y) and tested four ads. In line with Retailer X's results, we could not identify specific brand identity perspectives in each ad on a general level. Retailer Y is excluded from the study, and the results will therefore not be reported.

3.4. Main study

This section gives a detailed explanation of the design and execution of the main study: sampling method, survey design, and analytical tools.

3.4.1. Pilot-testing the main survey

The pilot-test of the main survey was carried out to test for overall understanding of the survey and to identify potential weaknesses. We utilized existing questions from established research for the clear majority of questions keeping the integrity of the original questions with only slight changes to wording. In addition, we created questions about Aaker's brand identity perspectives (1996a) because these did not exist. For these two reasons, we pilot-tested the survey to eliminate risk of distorting the meaning (Cooper & Schindler, 2011).

To rule out potential response error, a preliminary test was conducted on nine people. Small changes were made to incorporate their feedback. The survey was distributed a second time under observation (Fowler, 2014), welcoming feedback after completion and reviewed with our supervisor as well as with Retailer X's marketing manager. The participants were not included in the pre-study nor the main study to control for bias in prior knowledge of the study. Despite this, the demographics of the participants were still in line with the audience for the main study, making it an accurate approach (Malhotra, 2010). Minor ambiguities were corrected, and the survey was determined suitable for the study.

3.4.2. Data collection

The sampling method used for this study was non-probability, convenience sampling. To obtain a representative sample of real employees and customers (Fowler, 2014), we had the benefit of collaborating directly with Retailer X's stakeholders. An identical survey was distributed to both groups to allow direct comparison of results between them.

For employees, the survey was distributed both in store and via the company intranet, allowing us to reach different levels of organizational positions and distant geographic locations (Cooper & Schindler, 2011). The clear majority of employee responses were gathered on paper in-store in a single retail location (88 % versus 12 %). Customer responses were gathered by standing near the exit at Retailer X's store. A table was set up which allowed us to approach customers indiscriminately and ask them to fill in a paper survey.

The paper survey for both employees and customers was administered in Retailer X's store on 16 April 2017 and 21 April 2017. The distribution of Ad 1 and Ad 2 was randomized to the best extent possible by mixing an even number of surveys. Because a small incentive can help raise response rate (Cooper & Schindler, 2011; Fowler, 2014), we offered a small chocolate bar to all

in-person participants. The online survey was posted on Retailer X's intranet between 17 April 2017 and 23 April 2017 and was randomized using a randomization tool.

We required a minimum of 30 responses for each stimulus based on the central limit theorem for normal distribution for statistical analysis (Cooper & Schindler, 2011). This enabled hypothesis to be statistically tested with tests such as t- and regression-based tests.

3.4.2.1 Sample description

This section provides an overview of the sample. In total, 294 respondents participated. 56 results were invalid and discarded, yielding an 81% response rate. 238 valid responses were analyzed.

130 respondents of the total sample are customers (49% men and 51% women) between the ages 20-69. The main occupation of customers is 71 % full time versus 3% part time employees, 20% students, 4% retired, and 2% parental leave. 1% preferred not to answer. The sample has been customers at Retailer X between 1-50 years, where the majority (70%) over 10 years.

108 respondents of the total sample are employees, (37% men, 60% women, 3% prefer not to answer) between the ages 19-60. The main occupation of employees is 69% full time versus 27% part time employees, 2% students, and 2% preferred not to answer. 100% of the employees work in the store in some capacity, and 99% are also customers at Retailer X. The sample has been employed by Retailer X between 1-30 years, where the majority (58%) have worked at Retailer X for under five years.

3.4.3. Survey design

The survey first presented general information about the study and had an estimated completion time of 6-8 minutes which was based on the recommendation that surveys should take under 10 minutes (Cooper & Schindler, 2011). The survey then presented an ad (Ad 1 or Ad 2) followed by questions in a fixed order. The order of the questions, as well as the order of the items in the questions, were decided with our supervisor. The most important questions were in the beginning, while simpler and less involved questions such as demographic were at the end to avoid 'tiring out' the respondent (Söderlund, 2005). In addition, questions about overall perception (ad attitude) were placed after rating perception of brand identity perspectives in the

⁷ The descriptive variables are used to illustrate the sample but not for further segmentation in the analysis since this was not the focus of the study.

ad to decrease bias (Yoo & Donthu, 2001).

The survey uses closed-ended questions which facilitates comparison in statistical analyses and is preferred in quantitative study (Bryman & Bell, 2011). Answers are provided with a 7-point Likert interval scale ranging from 1= strongly disagree to 7= strongly agree (Söderlund, 2005). This gives the respondent the opportunity to answer neutrally which helps avoid bias based on uncertainty or indecisiveness (Cooper & Schindler, 2011). Multiple items were included for each question so they could be collapsed into an index to increase the internal reliability (Söderlund, 2005) given that a 0.7 value for Cronbach's alpha was reached (Nunnally, 1978). Nominal scales were used to measure gender, main occupation, and customer vs. employee status (Scott & Lane, 2000).

We used questions taken from previous research wherever possible. We created new questions to assess the dimensions of Aaker's brand identity model (1996a) because they had not been operationalized in prior research. We limited our domain (Churchill Jr., 1979) to Aaker (1996a) which allowed us to directly generate factors, rather than inventing them from scratch. With expert feedback from our supervisor, we refined the questions. To assess identification uniformly, we adapted the variable by combining items about both member and nonmember identification (Bravo, Matute, & Pina, 2017; Punjaisri, Evanschitzky, & Wilson, 2009). There was a great deal of crossover in questions relating to identification in different studies because they all originate from SIT. Based on the combination of the perspectives, the items focusing on the consumer were placed first while the more complex internal identification items were placed last for the ease of the participant, as this concept is more difficult for them to grasp.

3.4.3.1. Measurements

To examine identity perspectives' impact on identification, we measured: (1) brand identity perspectives, (2) identification, and (3) presence. Below, the measurements are explained.

Independent variables

Brand as person was measured on a 7-point Likert scale (1=Strongly disagree; 7=Strongly agree). Respondents were prompted, "Based on the ad presented, please mark the extent to which you agree or disagree that the ad shows:" for three items: (1) The type of customers who use Retailer X's products, (2) The personality of Retailer X, and (3) Retailer X's relationship with customers. An index was created based on strong internal consistency (Cronbach's alpha = .740).

Brand as organization was measured on a 7-point Likert scale with five items. Five internal values were provided directly by Retailer X: (1) Inspiration, (2) Quality, (3) Engagement, (4) Surprise, and (5) Low price. These values were company specific and determined by the company culture with agreement of the marketing manager. An index was created based on strong internal consistency (Cronbach's alpha = .789).

Brand as product was measured on a 7-point Likert scale (1=Strongly disagree; 7=Strongly agree). Respondents were prompted, "Based on the ad presented, please mark the extent to which you agree or disagree that the ad shows:" for four items: (1) The type of products Retailer X offers, (2) The quality of products Retailer X offers, and (3) How Retailer X's products should be used, and (3) The pricing of Retailer X's products. An index was created based on strong internal consistency (Cronbach's alpha = .812).

Identification was measured on a 7-point Likert scale (1=Strongly disagree; 7=Strongly agree). Respondents were prompted, "Based on the ad presented, please mark the extent to which you agree or disagree that the ad shows:" for six statements: (1) I think that my personality and the personality of Retailer X are similar, (2) I have a lot of in common with people who shop at Retailer X, (3) I feel my values and the values of Retailer X are similar, (4) I am willing to put in more effort than what is normally expected in order to help Retailer X to be successful, (5) I care about the fate of Retailer X, and (6) I view Retailer X's success as my own success. An index was created based on strong internal consistency (Cronbach's alpha = .906).

Moderator

Brand presence was adapted from Lehmann, Keller, and Farley (2008) to measure the presence of the brand for the respondents. Respondents were prompted, "*Please mark the extent to which you agree or disagree with the following statement:*" for three items: (1) I often encounter Retailer X, (2) There are a lot of ads and other information about Retailer X, (3) When I think of an [industry] store, Retailer X comes to mind, and (4) Retailer X has good availability. The responses were averaged into an index excluding item 2 in order to obtain the highest internal reliability (Cronbach's alpha = .789).

Ad attention

We controlled for attention paid to the ad among participants by requiring them to click "I confirm that I have looked at the ad" in the web-based version. Online participants were also allowed to return to the ad. In the paper copy, we controlled this in person by observation.

Relevant target group

To control for the right target group, respondents were asked to indicate if they are customers or employees of Retailer X. The alternative 'none' was offered to rule out irrelevant respondents.

3.4.4. Analytical tools

IBM's SPSS Statistics 22 was used for statistical analysis. Data obtained online was exported directly from Qualtrics and data collected on paper was manually entered into SPSS. The Hayes (2013) PROCESS macro for SPSS was downloaded and used for mediation and moderation analysis.

3.4.5. Data quality

We strove to limit sources of error to the greatest extent possible. However, there exist facets of reliability and validity that should be considered in interpreting the data. We consider both systematic error, errors that uniformly affects data across respondents, as well as random error, respondent dependent error based on uncontrollable external factors (Malhotra, 2010). We describe these efforts and considerations below.

3.4.5.1. Reliability

Reliability refers to the consistency of measurement (Malhotra, 2010). To increase reliability of the study, we pilot-tested the main survey twice to ensure that respondents understood the questions. Also, multi-item measurements were used for each variable (Churchill Jr., 1979) which allows for indexing when the Cronbach's alpha value is over .7. Some indexes were adjusted by removing an item to increase the reliability further (but always maintaining at least three items per question).⁸

To ensure the study's stability over time (Bryman & Bell, 2011), we used the same conditions and routines (i.e. same time and place) when collecting surveys during two days in-store at Retailer X to reduce random error. The online version could not be controlled in this way.

3.4.5.2. Validity

Internal validity

Internal validity is concerned with a study measuring what it intends to measure (Bryman & Bell,

⁸ See 3.3.3. Pre-study measurements and 3.4.3.1. Measurements for which items were removed in the indexing process.

2011) and if there is causal relationship between the independent and dependent variables (Malhotra, 2010).

We used the same order of questions for both ads and groups (Cooper & Schindler, 2011). We used established survey instruments to measure all variables except brand identity perspectives. In this case, due to lack measurements, we crafted our own questions but carefully followed Aaker's definitions and expert guidelines (Churchill Jr., 1979). In addition, all constructs were reviewed with an expert (and checked for reliability). We kept the questions in the original language, English, to avoid distorting the meaning, which may lead to misunderstanding because of language barriers. To minimize error, the survey was pre-tested on a number of Swedish speakers with different levels of English.

Respondents received clear instructions about the process of the survey. The survey was given in two formats, paper and online, but the majority of the surveys were collected physically. This ensured that we could control the survey-taking environment for the most part. Mixed methods of administrations can be considered a limitation; however, the difference between methods has been found to be small, and it is therefore appropriate to distribute in this way (Bryman & Bell, 2011). Data validity can be negatively affected by factors such as respondents' fatigue, boredom, or impatience. There is also a risk of error due to previous experience with the organization. (Cooper & Schindler, 2011) We took this into consideration in the data by pre-testing the ads for identity attractiveness and ad attitude.

External validity

External validity is the ability to make the study generalized across time, settings and groups (Cooper & Schindler, 2011). As this is a descriptive study, we aimed to in highest extent possible reduce the disadvantages. We increased the external validity by using a survey applicable to different industries and marketing communication. The only component that was specific to the company tested was a list of values which can be replaced for the applicable company. We used only one industry which decreases the generalizability of the results; however, all people should be familiar with these types of products.

Using two ads increased the external validity as opposed to only using one ad. However, we initially intended to use four ads, so this modification decreased the validity. We also increased the external validity by sampling both employees and customers of different genders, occupations, and ages. This study can be replicated using the survey and analysis tools but by

changing corresponding ads and company values. However, the measures we crafted may need to be refined because since we operationalized them for the first-time and may need revision.

Ecological validity

Ecological validity is concerned with the ability to apply research in natural settings (Bryman & Bell, 2011) which makes a descriptive research the most appropriate approach for this survey. It was also advantageous to cooperate with an established organization and using real ads rather than using a fictional company or ad (Malhotra, 2010). Furthermore, we performed the research on real employees and customers in an environment where they can relate to the brand. However, viewing an ad in store is not a 'natural' way for individuals to be exposed to advertising and may decrease the ecological validity.

4. RESULTS & ANALYSIS

In this chapter, the hypotheses will be analyzed and presented with corresponding results. The hypotheses are presented in the same order as they are introduced in Chapter 2.

4.1. Preliminary analysis

Given that we crafted some of our own measurements, 'brand as person', 'brand as product', 'brand as organization' were subject to an exploratory factor analysis.⁹ Even when Cronbach's alpha is over .7, factors analysis checks that empirical grouping is in line with the grouping that theory suggests. We suppressed small coefficients to 0.45. The KMO measure of sampling adequacy was .899, above the recommended value of .6. This indicates a strong correlation between the generated components and Bartlett's test was significant (p<.05). The communalities were all above .5 except one questions (Retailer X's relationship with customers, .432). We could conclude that three factors had an Eigenvalue over 1 and explained 64% of the variance. In the rotated component matrix,¹⁰ two questions loaded in different factors than expected. One item of 'brand as product' (how Retailer X's products should be used) was grouped into what we designated as 'brand as person' and one value item from 'brand as organization' (low price) was grouped into 'brand as product'. The same test was applied for the combined measurement of identification, showing a KMO measure of sampling adequacy .872 and a significant Bartlett's test (p<.05). All communalities were above .5, loading into one component with an Eigenvalue over 1 that explained 67% of the variance.

In conclusion, the theoretical identity constructs of 'brand as person', 'brand as organization', 'brand as product' were mostly empirically supported through factors analysis. The results should be kept in mind since it can affect subsequent testing. We chose not to reorganize the factors because we are focused on applying theory to real life and retaining the brand identity perspectives as Aaker (1996a) described.

4.2. Main analysis

4.2.1. Brand identity perspectives and identification

Three sets of hypotheses H1a-H3b for 'brand as person', 'brand as organization', and 'brand as

⁹ For more thorough analysis, a confirmatory factor analysis (CFA) should be performed. However, this tool is not available in SPSS and the present method is considered sufficient for our study.

¹⁰ Varimax rotation with Kaiser normalization

product' respectively were constructed with the same measures for each BIP. We will first describe the basic assumption in HXa underlying the second HXb hypothesis in each set.

4.2.1.1. Comparison of perceived BIPs

Hypothesis H1a states that employees will report higher levels of 'brand as person' than customers. A comparison was made between the groups with an Independent-Samples T Test (1-tailed), showing that employees did not significantly report higher perception levels of 'brand as person' than customers (M_E = 5.05; SD_E = 1.46, M_C = 4.85; SD_C = 1.28, p= .127, n.s.). This indicates that employees and customers detected the perspective 'brand as person' in the brand identity at similar levels.

Hypotheses H2a ('brand as organization') and H3a ('brand as product') were formulated in the same way as H1a and evaluated with the same test. Employees reported significantly higher perception levels of 'brand as organization' (M_E = 4.69; SD_E = 1.25, M_C = 4.43; SD_C = 1.13, p<.05), and significantly higher perception levels of 'brand as product' than customers (M_E = 4.72; SD_E = 1.39, M_C = 4.21; SD_C = 1.28, p<.05).

In conclusion, H1a is not supported, but we find support for H2a and H3a. Employees detected only significantly higher perception levels of 'brand as organization', and 'brand as product'.

	Emplo	yee		Customer				
	N	Mean	Std.	N	Mean	Std.	t	p(1-
			deviation			deviation	tailed)	
Brand as	108	5.05	1.46	130	4.85	1.28	1.14	n.s.
person								
Brand as	108	4.69	1.25	130	4.43	1.13	1.71	.044**
organization	ı							
Brand as	108	4.72	1.39	130	4.21	1.28	2.97	.001***
product								

Table 1: Mean comparison

4.2.1.2. Direct relationship between BIPs and identification

Despite that the perception levels of only 'brand as organization' and 'brand as product' differed for employees and customers, a closer analysis was conducted on all perspectives' influence on identification. To gain an initial understanding of the relationship, we first tested the independent variables (BIPs) separately in a simple linear regression to predict its effect on the dependent

^{*** = 1%} significance level, ** = 5% significance level, * = 10% significance level

variable (identification). For both groups, it was found that all BIPs separately had a significant impact on identification. However, we use a multiple regression to test the perspectives simultaneously as they often coexist in an identity (Aaker, 1996a) and thus it is logical to test them together. Therefore, we will only report the multiple regression results.

To investigate H1b, H2b, H3b, a multiple regression analysis was conducted to determine if the level of BIP detected significantly predicted customers' and employees' identification. We isolated the groups by splitting the database to obtain separate regression analyses. For employees, the results indicates that the three predictors ('brand as person', 'brand as organization', and 'brand as product') explain 19 % of the variance (R^2 = .19, F(3,104)= 7.92, p<.05). The multiple regression shows that 'brand as person' did not significantly predict identification (β = .089, p=.498, n.s.), nor did 'brand as product' (β = -.078, β = .560, n.s.). However, 'brand as organization' was found to significantly predict identification for employees (β = .419, β <.05). A collinearity diagnostics showed no multicollinearity existed between the independent variables (13.52<30) (Janssens, De Pelsmacker, & Van Kenhove, 2008).

For customers, the results indicate that the three predictors ('brand as person', 'brand as organization', 'brand as product') explains 36 % of the variance (R^2 = .36, F(3,126)= 23.75, p<.05). The multiple regression shows that 'brand as person' did not significantly predict identification (β = -.039, p= .689, n.s.) because it is not significant for employees or customers. However, 'brand as organization' (β = .497, p<.05) significantly predicts identification for customers since it is significant for both employees and customers. 'Brand as product' (β = .200, p<.05) was found to significantly predict identification for customers, since it was hypothesized that 'brand as product' would only affect identification of customers. A collinearity diagnostics showed no multicollinearity existed between the independent variables (13.21<30) (Janssens, De Pelsmacker, & Van Kenhove, 2008).

In conclusion, we find support for H2b and H3b but not for H1b. Only 'brand as organization' predicts identification both for employees and customers. However, 'brand as product' also predicted identification for customers.

		Employee	Customer
Model summary	Adjusted R ²	.19	.39
	F	(3,104) 7.92	(3,126) 23.75
	p	.000***	.000***
Brand as person'	β	.089	039
	p	.498	.689
Brand as	β	.419	.497
organization'	p	.002**	.050**
Brand as product'	β	078	.200
	p	.560	.000***
	p	.300	.000

Table 2: Regression coefficients on identification

Since only 'brand as organization' significant influences identification for both employees and customers, it was of interest to investigate whether their identification differed. First, we created dummy variable (employees=1, customers=0). Then, a new interaction variables were created by multiplying the dummy variable with the 'brand as organization' index for i.e.

'Employee_organization'. Finally, we performed a regression with the existing and new independent variables together with identification. The results reported a significant difference in that 'brand as organization' influenced identification more for customers than for employees.

^{*** = 1%} significance level, ** = 5% significance level, * = 10% significance level

4.2.2. The moderating effects of brand presence

It can logically be argued that employees and customers have different levels of exposure to a brand. To support this reasoning, we initially conducted an Independent-Samples T Test on our variable brand presence. The mean analysis indicated that employees reported significantly higher levels of presence than customers $M_E=6.16$; $SD_E=.92$, $M_C=5.47$; $SD_C=1.04$, p<.05). In conclusion, both stakeholders are above the average mean value in presence (as opposed to the mean). Despite high presence for both stakeholders, levels of presence for employees and customers significantly differed which still supports our logical reasoning.

	Emplo	oyee	Customer					
	N	Mean	Std.	N n	Mean	Std.	t	p(1- tailed)
Brand presence	108	6.16	.92	130	5.47	1.04	5.35	.000***

Table 3: Mean comparison for brand presence as a moderator

*** = 1% significance level, ** = 5% significance level, * = 10% significance level

To test H4 stating that interaction moderates the effect in H1b, H2b, H3b for both employees and customers, we performed a moderation test following Hayes (2013) bootstrapping macro process for SPSS (model 1, 5000 bootstrapping samples, 95% confidence interval). We selected cases for employees and customers to obtain individual group results.

For employees, brand presence did not moderate the relationship between 'brand as person' and identification -.07 (95% CI: -.1932-.0562, n.s.), 'brand as organization' -.04 (95% CI: -.1330-.0666, n.s.) or 'brand as product' -.04 (95% CI: -.1386-.0559, n.s.) and identification. For customers, brand presence did not moderate the relationship between 'brand as person' and identification .12 (95% CI: -.0241-.2546, n.s.) nor the relationships with 'brand as organization' -.01 (95% CI: -.1183-.1316, n.s.) and 'brand as product' -.04 (95% CI: -.0823-.2087, n.s.) and identification.

In conclusion, presence of the brand did not moderate the effects in H1b, H2b, H3b for either employees and customers. H4 is not supported.

	Emp	oloyees	Customers			
-	Coefficients	Bootstrap (95%	Coefficients	Bootstrap (95%		
		confidence		confidence		
		interval		interval		
Brand as person	07	1932-0562	.12	02412546		
Brand as organization	04	13300666	.01	11831316		
Brand as product	04	13860559	.06	08232087		

Table 4: Moderating effects of brand presence on identification

Variable	Hypothesis				
Brand as person	H1a: Employees report a higher perception level of 'brand as person' than customers.				
	Not supported				
	H1b: Perception of 'brand as person' positively influences identification for both employees and customers.				
	Not supported				
Brand as organization	H2a: Employees report a higher perception level of 'brand as organization' than customers.				
	Supported				
	H2b: Perception of 'brand as organization' positively influences identification both for employees and customers.				
	Supported				
Brand as product	H3a: Employees report a higher perception level of 'brand as product' than customers.				
	Supported				
	H3b: Perception of 'brand as product' positively influences identification for customers only.				
	Supported				
Brand presence	H4: Brand presence moderates the effects in H1b, H2b, H3b for both employees and customers.				
	Not supported				

Figure 4: Overview of hypotheses results

5. Discussion

This final chapter will discuss the results of the study in relation to the theory developed in Chapter 2, followed by conclusions. Limitations, future research, as well as implications will be described in this section. The findings and the discussion are specific for Retailer X, but may be applicable to other similar companies. Their generalizability will be further discussed in the limitations section.

5.1. Discussion of the results

5.1.1. Maximizing the power of brand identity perspectives (BIP) in marketing communication

Advertising is not the sole source of brand image, but it is an "obvious" one (Biel, 1993, p. 74). Associations to a brand are at the core of brand identity (Aaker, 1996b), but the subjectivity of associations means that people view and interpret ads in different ways. Companies need to realize the importance of congruence between brand identity and brand image (Roy & Banerjee, 2008). Our results show that consumer ads can indeed represent multifaceted brand identities. Detection of BIPs in ads was uniformly high; no stakeholder group perceived a BIP at a lower than mean value. This reinforces once again that multiple identity perspectives can be present in a single brand (Aaker, 1996a). Despite similarities and difference in the detection of BIPs, it was clear that there existed crossover in which BIPs yielded identification for both employees and customers.

Brand image for customers has traditionally been the focus in brand management (de Chernatony, 1999), but our results emphasize building the brand identity across stakeholders. Managers should realize the value of bridging the gap between HRM and Marketing in brand building activities to maintain relationships inside and outside the organization.

5.1.1.1. Organizational associations are the strongest tool

As hypothesized, the **organizational associations** were detected at a higher level for employees than for customers. This supports our assumption that employees who encounter a brand's values as part of their work will perceive them more easily than outsiders. It may indicate that internal branding communicates these associations more effectively to its own stakeholders than external branding is communicating to "its" stakeholders. Further, organizational associations were the only shared BIP that had a significant effect on identification. This implies that Retailer X has a gap to bridge in external branding in terms of modifying or strengthening other BIPs.

The level of identification with this organizational associations did not significantly differ between the stakeholders, and we can conclude that organizational associations predicted identification equally for both employees and customers. This suggests that Retailer X has created brand values that are in line with their customers and employees, and can serve as a source of brand equity. It is also interesting to note that despite that although customers and employees did not significantly differ in how they identify, the beta value indicates that customers may identify themselves to a higher degree. This finding allows for Retailer X to build a stronger customer-based brand equity. This may also be in line with the assertion that creating an emotional connection is more powerful than other customer perceptions (Zorfas & Leemon, 2016).

Our results strengthen the implications of research that a value-based approach is a powerful tool to build brand equity (de Chernatony, 1999). Organization associations creates not only a brand image but also reputation which is more stable and concerns the long-term brand perceptions (Fombrun & Van Riel, 1997). As measures of brand image focuses on the most recent perceptions and fluctuates over time (De Chernatony, 1999), organizational associations are arguably more important to reinforce.

5.1.1.2. Unexplored benefits of brand personality

Brand personality reflects a brand's human associations and the customer relationships. The results show that these associations were detected at the highest levels of all BIPs, and that the level of perception for employees and customers did not significantly differ. This suggests that external and internal branding are communicating the same type of brand personality. However, brand personality did not predict identification for employees nor customers.

The lack of identification existed not because viewers could not detect the personality, but rather because something about the represented personality did not resonate with viewers' own identities (Ashforth & Mael, 1989). Even though the brand personality did not significantly influence identification, it was visible in the results that the beta values were negative for customers. This result was insignificant, but it raises the possibility that the communicated personality associations have a negative impact on customers to some extent. A brand's personality does not necessarily include just one trait, but rather is fluid and can have several facets (Aaker, 1997). It is therefore crucial for managers to realize the importance of marketing communication (Riezebos et al. 2003) and how it can be used as a powerful, controllable tool.

Brand identities are strategic and drive the vision of the brand. Despite the strategic aim, managers need to have in mind that the message still needs to be understood by the receiver (Baker & Hart, 2008). A brand personality that is not liked (i.e. a discrepancy exists between brand identity and brand image) does not have potential for identification.

It is worth mentioning that Retailer X has recently changed its marketing communication to more emotion-based consumer ads according to Retailer X's marketing manager. We consider this perspective to have unexplored benefits since Retailer X has not been able to match the brand identity and the brand image (Roy & Banerjee, 2008) in terms of personality, even if it has been accomplished for organizational associations.

5.1.1.3. Product value is harder to sustain

Finally, employees perceived product **value** significantly higher than customers as hypothesized. Detection of product value in the brand identity is a driver for customers' but not employees' identification process. This finding is in line with the idea that customers need more concrete value in the offering. This may support the idea that product value offers symbolic consumption benefits for customers but not employees (Kuenzel & Vaux Halliday, 2008).

Despite higher levels of detection for employees, this was not significantly related to identification. However, it is interesting (though insignificant) that for additional unit of 'brand as product' detected, identification went down for employees.

5.1.1.4. The overestimated power of brand presence

The levels of **brand presence** measured were uniformly high, although employees were still significantly higher than customers. However, the presence of the brand for a stakeholder was not found to have implications on how strongly they identified with any of the BIPs; this was true despite high presence levels for both groups. This finding disconfirms the theory and the hypothesis that posit that brand presence is a key moderator for identification. The unexpected result can depend on how the theory has been applied or how the variable has been executed. Prior studies investigating a similar variable show that salience alone may not moderate identification. Identity attractiveness could be a missing link (Bhattacharya & Sen, 2003) that leads to identification (Dutton, Dukerich, & Harquail, 1994). However, identity attractiveness could not be measured in this way as we broke down the brand identity into three perspectives.

5.2. Conclusions

The purpose of this study is to empirically investigate how to portray a brand identity in a consumer ad that creates identification for both customers and employees.

In this thesis, we have investigated how to create synergies between HRM and Marketing through marketing communication. Organizational associations were found to be the only brand identity perspective that led to identification for both employees and customers when shown in a consumer ad. Product value was related to identification in customers only. We provide evidence for Retailer X that by enhancing their organizational associations in marketing communication, identification may increate thereby building brand-equity. We do not find evidence that brand presence plays a role in strengthening identification.

We demonstrate that building a strong brand and capitalizing on it should be handled from a dual perspective considering the importance of communicating internal values to an external audience. The marketing lexicon should expand to consider brand equity as a more allencompassing concept and focus on the broader capabilities of marketing communication. Organizations should think about brand management as a top management priority across departments.

5.3. Managerial implications

Advertising is the most controllable part of marketing communication and can affect identification for internal and external stakeholders. This in turn may build brand equity through specific associations explained below. Our findings provide strong incitements for cooperation between HRM and Marketing. Together these two departments can realize the true value of brand equity -- companies need to attract profitable not only customers but also all-star employees for long-term value. HRM and Marketing should work together to most successfully execute this aim, for example by collaborating to create ad campaigns that correctly illustrate company values, and testing these campaigns internal and external stakeholders before launching.

5.3.1. Targeting employees and customers

Marketing communication affects employees, not only customers. Retailer X's organizational associations is proved to foster identification for both employees and customers. HRM and Marketing of Retailer X should be communicating these associations in a greater extent to foster greater benefits such as brand equity. To do this, managers need to determine what values are

integral to a brand and how to best portray them in a consumer ad. In this study, we have focused on print ads, but this may be possible across other mediums such as television ads. A challenge may be effectively communicating values through a one-way communication and indeed, this is a relatively new focus for advertising (Webster, 1992). Product-only focused ads do not have the same potential for results, though the product cannot be completely ignored, discussed below.

5.3.2. Targeting customers

In this study, we have identified that representing product value can foster identification for customers. Functional values are harder to use as a competitive advantage because of, for example technology advancement, and should thus be used in combination with organizational associations. Retailer X should not overlook the importance of offering functional benefits of a differentiated offering for customers.

5.3.3. Pitfalls to avoid

Marketing managers should proceed with caution when portraying a brand personality. Personality is a way to demonstrate human traits of a brand, but it needs to be ensured that brand identity and brand image align. This proposes a dilemma for marketing departments that face the task of creating successful communication material. The perception of brand personality in this study did not affect identification, and it may actually decrease the identification of customers if not portrayed correctly. At the same time, Retailer X should be aware of not falling into a "brand identity trap" (Aaker, 1996a) and allow their strategy to be dictated by external brand image—just because brand personality is not judged positively at the moment does not necessarily mean the strategy should be abandoned or the brand should change their vision. There is a careful balance that should be acknowledged. More extensive testing of brand personality depicted in ads on both stakeholders, for example, could be a way to pursue the brand's vision but ensure positive perception.

5.4. Limitations

This study created new insights on how companies can build brand equity through maximizing communication effects across stakeholders. However, the study has certain limitations in terms of design, execution, and applicability of results.

5.4.1. Design

Measures

The measurements of brand identity were limited to Aaker (1996b, 2010). We chose Aaker as a model because his concept of brand identity is more human-based than other more financial conceptions of brand equity and because he is a prolific scholar within the field of brand management. In using Aaker's three BIPs, we are also limiting the range of ways in which people view the ads. We risk oversimplifying our results by so closely following one theorist's view.

The surveys used took a new approach to measuring identification. Using identification as the dependent variable may be a limitation in the sense that it measures a cognitive state (Ashforth & Mael, 1989) and not behavior. The reason why this was chosen was that identification is linked to many behaviors that are positive for companies, such as loyalty, satisfaction, and WOM (Bhattacharya & Sen, 2003). However, we cannot assume that these benefits will be realized based on identification alone.

To cover the scope of identification, we used questions from general identification theory (i.e. SIT), identification theory focusing on internal stakeholders (e.g. Bravo, Matute & Pina, 2017), and on external stakeholders (e.g. Bhattacharya & Sen, 2003). This creates a risk that customers find it difficult to answer external stakeholder-focused questions. Measuring identification also poses a risk that people will answer based on experience rather than using the ad as a prompt as instructed.

For the measure of brand presence, we created the measure intended from identity adapt existing variables, salience and presence. This creates a risk that our measure is not valid. Though we used established questions to the greatest extent possible, we also operationalized existing variables in new ways. Salience has been measured as a moderator on identity attractiveness, whereas we look at it relate brand interaction to identification. This looks at new constructs that have not previously been explored, so further research is necessary to make generalizations.

Communication medium

In the scope of marketing communication, print advertising is just one medium. We chose advertising because it one of the most controllable forms (Bhattacharya & Sen, 2003), but other types of communication should not be ignored. For example, newsletters, publications, or media attention can also play a role in the creation of the brand identity. A more comprehensive study

could look at a wider scope of brand identity transmission mediums.

Using ads as stimuli, we assume that brand identities are present and visible. It could be the case that an ad does not portray the BIPs at all (for example, a product-only focused ad would be difficult to measure), and thus measuring identification resulting from them would be a futile endeavor (though this was pre-tested in our study)

5.4.2. Applicability

This study only sampled from employees and customers of one retailer in the Stockholm area implying a homogenous group. This study is further limited to only one company in one industry, Retailer X. Conclusions cannot be drawn about companies in general without further research. Using only two ads and one company may have certain effect in the results of the study and the independents prediction on the dependent variables. In addition, Retailer X's values are strongly shared between employees and customers which can have implications for results. Generalizability cannot be concluded until different companies and different industries are investigated. It could be discussed whether this study is a case study.

5.5. Areas for further research

This study filled a research gap by looking into how employees and customers react to the same marketing communication. More specifically, it explored what identity perspectives need to be present for employee and customer identification. Our findings lead us to some suggestions for further research.

First and foremost, a better understanding of what type of organizational associations fosters identification for both employees and customers is warranted. Our study is limited to Retailer X's values, therefore it would be interesting to investigate other companies using their own values. This would also allow comparison to see if certain values are positively related to identification across companies or if values and reactions to them are company specitic.

As our study only focuses on one company in the retail sector, it is also worth exploring the phenomenon throughout industries, sectors, and other stakeholders. One could imagine that the service industry may have even bigger implications as it is a context in which employees are closer to the customers. Similarly, studies could look at the online market where employees and customers do not interact, or B2B where different stakeholder can also be partners (Anselmsson

et al., 2016).

6. References

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7. Appendix

7.1. Main study survey¹¹

Please take time to look carefully at the ad below. Following are questions based on the ad.

[Ad 1 or Ad 2 presented at random]

Based on the ad presented, please mark the extent to which you agree or disagree that the ad shows:							
	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
The type of products Retailer X offers	0	0	O	O	O	0	0
The quality of the products Retailer X offers	•	0	0	•	•	0	O
How Retailer X's products should be used	•	0	0	•	•	0	O
The pricing of Retailer X's products	O	0	O	O	0	0	O
The type of customers who use Retailer X's products	•	0	O	•	•	0	O
The personality of Retailer X	0	0	O	0	•	0	O
Retailer X's relationship with customers	0	•	O	•	•	0	O
Retailer X's logotype ¹²	O	0	0	0	0	0	0

52

¹¹ The survey has been slightly modified for anonymity, and demographic questions for employees/customers have been combined. This represents the paper version.

¹² This item was later excluded from analysis

Based on the ad presented, please mark the extent to which you agree or disagree that the ad shows:							
	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
Inspiration	0	0	0	O	0	O	0
Quality	O	0	0	0	0	0	O
Engagement	O	•	0	0	0	0	0
Surprise	0	•	0	0	0	0	0
Low price	0	•	0	0	•	O	0

Based on the ad presented, please mark the extent to which you agree or disagree with the following statements:							
	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
I think my personality and the personality of Retailer X are similar	•	0	0	•	•	0	0
I have a lot in common with other people who shop at Retailer X	•	•	•	•	•	0	O
I feel my values and the values of Retailer X are similar	•	•	•	•	•	0	0
I am willing to put in more effort than what is normally expected in order to help Retailer X be successful	•	•	•	•	O	•	•
I care about the fate of Retailer X	O	0	0	•	0	0	0
I view Retailer X's successes as my own successes	•	•	0	•	0	•	•

Based on the ad presented, please mark the extent to which you agree or disagree with the following statements:							
	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
I often encounter Retailer X	0	0	•	0	•	•	•
There are a lot of ads and other information about Retailer X	•	•	•	•	0	•	•
When I think of a [industry] store, Retailer X comes to mind	•	•	•	•	0	•	•
Retailer X has good availability	0	0	•	•	0	•	O

Please answer the following questions:	
(If customer)	
How long have you been a customer of Retailer X? Please	
answer in full years (numbers only), i.e. 3	
(If employee)	
How long have you been an employee of Retailer X? Please	
answer in full years (numbers only), i.e. 3	
(If employee)	O Yes
Are you also a customer of Retailer X?	O No
Gender	O Male
	O Female
	O Prefer not to answer
Main occupation	O Employed full time
	O Employed part time
	O Unemployed
	O Retired
	O Student
	O Sick leave or parental leave
	O Prefer not to answer
Age. Please answer in full years (numbers only), i.e. 30	