MEASURING INTERNAL BRAND EQUITY IN B2B SERVICE INDUSTRIES IN IRAN

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Abstract

In the business-to-business sector, employees are playing a pivotal role in the success of corporate brands. Thus, measuring the internal brand equity in service industries can significantly highlight the potential role of the workforce in internal and external brand performance. To this end, 105 service firms were examined and empirical data was provided by a sample of 533 industrial workers and 208 managers, which was then analyzed. The main conclusions of this research lead us to confirm the positive relationship between determinants of internal brand equity and its influence on building strong internal and external brand equity. Conclusions are drawn for management practice and future research.

Key words: Internal brand equity, brand orientation, B2B industries, external brand equity.

Introduction

The business world has witnessed tremendous growth of B2B brands such as IBM, Cisco, Microsoft, Google, SAP, and ORACLE, which has dominated today's business environment significantly (Anon., 2016). Consequently, in recent years, much of the marketing community's interest has been dedicated to the potential role of employees in the success of B2B companies. With the increased importance of employees in the B2B sector, industrial marketers have largely considered personal selling as being a proper sales and communication strategy over brand management (Sheth & Sinah, 2015). Therefore, the role of service employees has been subject to considerable research and a number of B2B scholars' research demonstrates that service employees are: a building block for strong B2B brands (Terglav, et al., 2014); the embodiment of the service brand (Punjaisri, et al., 2009); providers of a critical part of a chain-of-relationships network (Punjaisri, et al., 2008); a valuable asset (Khanyapuss & Wilson, 2007); the original source of brand equity (Burmann, et al., 2009); a major brand-building tool for B2B markets (Kuhn, et al., 2008); a driving force for successful service brands (King & Grace, 2012), a key element of building an organization's corporate brand (Carley, et al., 2010), and; providing a crucial role in the brand-strengthening process (Yaniv & Farkas, 2005).

Internal brand equity is defined as "the strength of workforce internalization of brand identity, in support of branding at the customer interface" (Baumgarth & Schmidt, 2010). According to these two authors' point of view, since strong brand image and identity are the two significant cornerstones of corporate success in business-to-business settings, employees' behavior should not only be consistent with brand identity, but also reveal brand values. According to the World Bank report of 2013, 44% of GDP in Iran is occupied by B2B services, which is 20% lower than the global average. Since branding is known to improve business performance in today's business environment (Roberts & Merrilees, 2007), applying internal branding theory can significantly promote the position of Iranian industrial firms in today's markets. Previous and major studies in the B2B context in Iran have examined the following: drivers of customer loyalty (Askariazad & Babakhani, 2011); B2B value exchange (Albadvi & Hosseini, 2011); importance of corporate reputation (Miremadi, et al., 2011); the effect of customer perceived value on word of mouth and loyalty (Abdolvand & Norouzi, 2012); the role of the customers in the customer orientation process (Taleghani, et al., 2011); service quality; relationship quality; customer loyalty (Rahmani-Nejad, et al., 2014); the impact of B2B buying behavior on customer satisfaction (Keshavarzi, et al., 2012); important factors influencing customer relationship management (Azad & Hashemi, 2013); brand management in financial markets in Iran (Asgari, et al., 2016); internal brand management relationship with brand citizenship behavior, and; job satisfaction and commitment (Javid, et al., 2016). To the best of our knowledge, no study has been directed at the quantitative depiction of internal brand equity in business-to-business settings in Iran.

Furthermore, in Baumgarth and Schmidt's study (2010), internal brand equity is examined for the three industry sectors of metal production and processing, electrical and electronic engineering, and plant and machinery, while this study is focused on a wide category of B2B service firms, such as the construction and financial and counseling services, we therefore believe that it can represent the higher strength of B2B brands among service employees and, therefore a higher contribution to internal brand equity. Accordingly, the objectives of this research are twofold, namely: firstly to obtain a more comprehensive understanding of the recent theory of internal brand equity for Iranian managers and marketing practitioners, and secondly; to examine B2B industry sectors in greater depth to study the impact of internal brand equity on these industries.

In this research, we make a contribution to the study of internal brand equity. Firstly, by using larger samples we are able to achieve an in depth examination of the conceptual model. Secondly, we focus more on service firms in service industry sectors, such as management, education and family counselling services in the consultancy sector, and credit unions, banks and insurance services in financial sector, together with construction companies in the construction sector, in order to investigate the influence of internal brand equity and its impact on customer-based brand equity. Finally, the survey is conducted among a vast number of major service industry players which employ knowledgeable and expert employees and managers to provide more validated and accurate results.

The paper begins by examining the literature on the importance of B2B branding and the role of employees in business-to-business companies, and then it focuses on the determinants of internal brand equity and provides relevant descriptions. Drawing from the literature, the conceptual model of internal brand equity is introduced, and the hypotheses are developed. In the next step, the research methodology is presented and then the results are discussed. This is followed by describing the conclusions, limitations and recommendations for future research.

Literature review

Role of employee in B2B branding

In the B2B context, employees are regarded to be the interface between the brand and customers (Punjaisri, et al., 2009; Foster, et al., 2010), or between a brand's internal and external environment (Ceridwyn & Grace, 2005). Sheth and Sinha (2015) report that the reason behind the popularity of personal selling in the B2B context is rooted in the concern of industrial marketers to build brands.

Given the fact that service employees play a crucial part in the chain of brand relationships and that they are responsible to deliver the brand promise, they should possess an in depth understanding about service brands' values and should demonstrate a consistent behavior towards company's brand identity. It is believed that the alignment of employees with brand values can provide companies with a sustainable competitive advantage (Foster, et al., 2010). Scholars, such as, Erkmen and Hancer (2015) outline that the fulfillment of brand promise at each service encounter depends on the consistent behaviors of employees during customer interactions. Harris and de Chernatony, (2001) note that employees' awareness of the brand is the determining factor to communicate brand promise successfully to customers. Punjaisri et al. (2009) highlight the reason for the importance of brand promise fulfillment as an intangible nature of service brands.

As revealed by Baumgarth and Schmidt, (2010), the importance of internal brand equity study lies in internal identity-building, which also serves as an important building block for overall brand equity. Furthermore, these authors claim that the integration of a company's internal brand identity with its external brand image provides higher customer identification with a brand and a sustainable differentiation of the company's offering. Additionally, Brexendorf and Kernstock (2007) consider the behavior of employees as being a major factor in the expression of brand identity.

It has been argued in the literature that service brand success is highly dependent on employees' positive attitudes and behavior (Vallaster and Chernatony, 2005; Yaniv and Farkas, 2005; Henning-Thurau, et al., 2006; King and Grace, 2012; Asgari, et al., 2016). Furthermore, service employees are considered to play a crucial part in forming of customers' perceptions and brand image (Henkel, et al., 2007; Kimpakorn and Tocquer, 2010; Baker, et al., 2014). Davis et al. (2008) assert that brand image in B2B markets is shaped through buyer-seller relationships, whereby every touch point is an input for the construction of brand image (Webster Jr. and Keller, 2004). Consequently, brand image which is developed in the mind of B2B customers is the result of service employees' consistent behavior, which is aligned with the company's brand identity. In Baumgarth and Schmidt's (2010) study, they declared that the strength of internal brand equity highly depends on the alignment of employee behavior with brand identity and communicating the brand with internal and external stakeholders. In Coleman et al.'s (2015) study, it was stated that distinctive and cohesive brand identity can create superior brand preference, greater brand differentiation, strong customer identification with the brand, and an increased level of trust.

Brand equity

The concept of brand equity was introduced by David Aaker in 1991, and it is regarded as an important marketing concept. Mudambi (2002) defined brand equity "as buyers' willingness to: pay a price premium for a favored brand over a generic or unknown brand; recommend the brand to peers, and; give special consideration to another product with the same company brand name."

Brand equity in the B2B sector is known to be a significant source of competitive advantage (Davis, et al., 2008; Zhang, et al., 2016) and it is gaining considerable ground (Leek and Christodoulides, 2011). Blomback and Axelsson, (2007) regard brand and brand equity as being crucial issues in industrial markets.

As discussed by Kuhn, et al. (2008), the company and its representatives play a major role in building brand equity in an industrial context. In addition, Burmann et al. (2009) believe that service employees not only represent an important stakeholder group, but also they are the original source of brand equity, which highlights the importance of employees' consistent attitudes and behavior in empowering customer-based brand equity.

Brand-orientated corporate culture

In recent years, the significance of corporate culture has attracted the attention of researchers and marketing practitioners (Bolton, et al., 2013; Guiso, et al., 2015; Dvidson, et al., 2015; Abubakar, 2016; Anitha and Begum, 2016; Gao, 2017). It has been claimed that the real competitive advantage in today's market can be realized through an increased focus on operating resources (King and Grace, 2010), which implies the significance of a suitable organizational culture which has the potential to initiate a brand-supporting behavior which reflects brand identity, as well as brand values. In an empirical study by Zoghbi-Manrique-de-Lara and Ting-Ding (2016) and Abubakar (2016), corporate culture is considered as a pattern of shared values and beliefs which assist employees to understand organizational functioning and teach behavioral norms in the organization. Furthermore, it is claimed that corporate culture can be conceptualized as those underlying values and attitudes that impact the way activities are performed in an organization (Zoghbi-Manrique-de-Lara and Ting-Ding, 2016). The prerequisite of retaining organizational success is the alignment of corporate culture with organizational goals, so as to align employees' behavior with the company's objectives (Abubakar, 2016). Abubakar (2016) considers a strong positive organizational culture to be a valuable asset which can lead to economic performance and also, as a major factor which can result in the success of an organization. According to King and Grace (2005), successful B2B companies are those which have developed a culture that has the potential to make all employees throughout an organization be involved in the branding process.

According to Urde (1999), brand orientation "is an approach in which the processes of the organization revolve around the creation, development and protection of brand identity in an ongoing interaction with target customers, with the aim of achieving a lasting competitive advantage in the form of brands". In his study, he declares that brand-oriented companies should regard brands not only as resources, but also as expressions of an identity, in order that they can generate value and meaning via their brands. In addition, in his viewpoint, companies should create, develop and protect brands as strategic resources, in order to achieve competitive advantage. Urde et al. (2013) define brand orientation from cultural, behavioral and performance perspectives. From the cultural standpoint, brand orientation is a specific type of corporate culture or a particular mindset of a company. From the behavioral viewpoint, internal anchorage of the brand identity (mission, vision and values) is considered significantly, and the idea of living the brand is known to have a strong relationship with brand orientation. The performance perspective has to do with the link between brand orientation and better corporate performance.

While Chovancova, et al., (2015) define brand orientation as "a tortuous marketing strategy since it requires a web of interrelated mechanisms and linkages that represent both the "face" and "voice" of the organization in the marketplace", brand orientation is widely known as a major strategy to achieve a firm's future success and survival (Laukkanen, et al., 2013; Chovancova, et al., 2015; Osakwe, 2016). Those companies that apply brand-oriented strategies have a stronger symbolic brand-customer relationships in a rapidly changing and competitive marketplace (Chovancova, et al., 2015). In an empirical study among B2B SME companies, Hirvonen and Laukkanen (2016) reveal that brand orientation can significantly affect market and financial performance and also the business growth of an enterprise. Furthermore, in their study, they also state that brand-oriented companies regard brands to have a role in achieving market leadership and in turning their brands into powerful strategic assets. According to Henkel et al. (2007), brand consistent employee behavior is a crucial success factor from a management point of view. King and Grace (2012) posit that organizational culture and employee values have the potential to influence the cluster of values that are perceived by customers to be representative of a service brand. In today's brand management literature, values and corporate culture have become the major elements in the concept of how service employees approach the brand and how they make it a distinctive offering in the market place (Simoes and Dibb, 2001). Terglav et al. (2014) claim that the alignment of employees with the brand is becoming one of the top priorities for managers. Anees-ur-Rehman (2014) suggests that brand orientation is a brand-centric approach and a tool for building strong brands which can develop relationship with internal and external actors.

Research questions and hypotheses

Research questions

Up until now, no study has examined large industry sectors to measure internal brand equity in order to access its relationships with customer-based brand equity. The first reason behind choosing the B2B context in Iran is the fact that we are totally familiar with this environment since we live in this country. The second reason is the existence of a research gap in the field of internal brand equity in Iran, which seems to be worthy of paying attention. The purpose of this study was thus to evaluate the influence of internal brand equity in the B2B industry sectors in Iran. Accordingly, the central research question concerns the impact of internal brand equity determinants in B2B sectors in the context of Iran which affect internal and external equity.

Consequently, in order to close the gap in the body of knowledge, the following specific research questions will be addressed:

- Do the determinants of internal brand equity in the examined service industry sectors have the potential to reinforce internal brand equity?
- Is internal brand equity powerful to strengthen external brand equity in the services industry sectors in Iran?

Determinants of internal brand equity

As discussed by Baumgarth and Schmidt (2010), retention, intra-role, and extra-role behaviors represent three measurable manifestations of internal brand equity, which are also known to be major individual behaviors that have the potential to influence organizational and brand performance. Shaari et al. (2015) postulate these individual behaviors as brand-consistent behavior, which could contribute to overall brand success. Wheeler, et al. (2006) state that employees' positive perceptions of the corporate brand significantly strengthens higher tendencies to remain with the company. Henkel, et al. (2007) believe that employees' personal communication mainly involves brand-relevant dialogue which should be both brand-supportive and brand-relevant. Additionally, Baumgarth and Schmidt (2010) propose brand-supportive extra-role behavior as a third measure of internal brand equity, which is also influential for a company's overall performance. Nouri et al. (2016) define brand citizenship behavior as an overall structure which includes the voluntary behavior of employees in an organization that contributes to a strong brand identity. Likewise, Helm et al. (2016) declare that "brand citizenship behavior represents employees 'altruistic behavior and the way they live with the brand, particularly in interaction with customers that potentially leads to customer satisfaction and brand equity". As a result, Baumgarth and Schmidt (2010) suggest four attributes of organizational and individual behavior which can all determine the level of internal brand equity in an organization. These behaviors are: brand orientation; internal brand commitment; internal brand knowledge, and; internal brand involvement.

Brand orientation

Baumgarth and Schmidt (2010) propose that brand-oriented corporate culture is an important contribution to employee attitudes and behavior. Wilson (2001) argues that corporate culture provides a guide for the conduct of acceptable behavior, which plays a significant role in the creation of brand perceptions. Therefore, the degree of employees' brand consistent behavior and internal brand equity can be determined through brand orientation. The strength of the corporate brand in the B2B sector determines the link between brand-oriented culture and internal brand equity.

Internal brand commitment

Burmann et al. (2009) define internal brand commitment as being the extent to which an employee in an organization is attached to the brand, which leads to an increased feeling of belonging to an organization (King and Grace, 2010). Erkmen and Hancer (2014) identify brand commitment as "the extent of psychological attachment of employees to the brand, which influences their willingness to exert extra effort towards reaching the brand goals, in other words, to exert brand citizenship behavior." Employee commitment is considered to be a crucial element in determining organizational and brand success, since a prerequisite of delivering brand promise to the customers is that employees should "buy into" the brand (King and Grace, 2012). The importance of employees' commitment is also clear in Keller's (2001) study, where he regards brand commitment as being consistent with a higher order brand resonance that is vital in the creation of brand equity. According to Baumgarth and Schmidt's (2010) viewpoint, since organizational commitment plays a major role in employee attitudes and behaviors, internal brand commitment is also known to be a powerful element in employees' brand-oriented attitudes and behaviors. Thomson et al. (1999) claim that highly-committed service employees are emotionally attached to the corporate brand which enhances the likelihood of fulfilling the brand promise.

Internal brand knowledge

Baumgarth and Schmidt (2010) believe that brand-relevant knowledge can guarantee employees' consistent behavior with brand identity. In a study by Keller (1993), internal brand knowledge is referred to as the fundamental driver of brand equity. They also declared that internal brand knowledge is a cognitive representation of distinct brand identity in employees' memories (Terglav, et al., 2014). Furthermore, they believe that internal brand knowledge is an organized prior knowledge, which is shaped through experiences and interactions with corporate brands (Markus and Zajonc, 1985). Thus, internal brand knowledge acts as direction to ensure that employees' attitudes and behaviors are aligned with brand identity and that they represent brand values, thus contributing to a strong internal brand, and more importantly, to overall brand performance.

Internal brand involvement

Baumgarth and Schmidt (2010) regard internal brand involvement "as an activating state resulting from the personal relevance of the brand". In other words, when employees become more interested in embracing brand-relevant information, they exert higher brand involvement with the brand. It is also suggested that the degree of employees' openness to brand-relevant information can be increased by making the workforce aware of the significant and positive organizational consequences (Hoeffler and Keller, 2003). The literature reveals that employee involvement or engagement leads to greater organizational performance (Trahant, 2009; Coleman, et al., 2015). Employees' attention that is considered to be "a temporary enhancement of activity leading to sensitization to specific stimuli", is also known to be an initial psychological impetus which would be expected to be higher when employees have a higher level of brand involvement and perceive the specific relevance of the brand (Baumgarth and Schmidt, 2010).

External brand equity as outcome of internal brand equity

Baumgarth and Schmidt. (2010) suggest balance and emotional theory to prove the relationship between internal and external brand equity. According to the balance theory, employees and customers can only achieve a balance if both sides have the same attitudes toward the brand. The emotional contagion theory explains the transmission of individuals' emotion between each other. The behavior of employees and the representation of a brand's value in their behavior can thus result in strong brand attitudes in customers, leading to a higher level of brand equity.

Research hypotheses

The following hypotheses summarize the above-mentioned arguments:

Hypothesis 1. Brand orientation has a positive effect on internal brand equity.

Hypothesis 2. Brand orientation has a positive effect on internal brand commitment.

Hypothesis 3. Brand orientation has a positive effect on internal brand knowledge.

Hypothesis 4. Brand orientation has a positive effect on internal brand involvement.

Hypothesis 5. Internal brand commitment has a positive effect on internal brand equity.

Hypothesis 6. Internal brand knowledge has a positive effect on internal brand equity.

Hypothesis 7. Internal brand involvement has a positive effect on internal brand equity.

Hypothesis 8. Internal brand involvement has a positive effect on internal brand knowledge.

Hypothesis 9. Internal brand equity has a positive effect on company's external brand equity.

Results

Sampling and data collection

As cross-sectional descriptive studies are considered to provide a description of business elements, these studies must significantly take into consideration how well the selected subset represents the larger population (Hair, et al., 2007). With this in mind, this survey was conducted among a wide range of medium and large sized companies in B2B sectors in Iran, such as financial services, consulting services and construction firms. As a first step, an invitation letter was sent to 320 B2B companies in different sectors throughout the country. Finally, 105 companies were accepted to take part in the survey. As a second step, a structured questionnaire consisting of the survey objectives was sent to the company's staff and top management members. After a pretest (N = 100) to evaluate and refine the measures, we conducted a main survey to test the hypotheses, using data obtained from 102 service firms' employees and top managers. After removing 58 incomplete questionnaires, 533 eligible responses were used for employees, and 208 for top managers. 41% of the service firms which took part in the survey were from the financial sector, including credit unions, banks and insurance companies, 39% were from the consulting sector, including management, educational and family counselling services, and the remaining 20% were from construction firms. Respondents' demographic characteristics are presented in Table 1.

	N	Gender		Education			Work Experience				
		Male	Female	Bachelor	Master	Doctoral	≤1	1 to 5	5 to 7	7 to 14	≥14
Employee Survey	533	384	149	87	358	88	51	111	247	89	35
Top management survey	208	199	9	-	89	119	-	-	93	81	34

Table1: Respondents' Demographic Characteristics

Measurements and analysis

Baumgarth, et al., (2010) construct measures that were the basis of this research, since internal brand equity was newly developed in their study. The employees and managers were asked to indicate the degree of agreement with the questions on a 5-point Likert-type scale, with anchors of 1 = strongly disagree, and 5 = strongly agree. Items of the construct measures are shown in Table 2. These are: internal brand equity (8 items); internal brand commitment (8 items); internal brand knowledge (7 items); internal brand involvement (5 items); brand orientation (8 items), and; external brand equity (4 items).

Partial Least Square analysis was chosen to test the model (Fig. 1), based on the fact that the model has both formative and reflective components (Diamantopoulos & Winklhofer, 2001). PLSPM works well with a small sample size (Chin, 2010, which is a reasonable choice for the small sample size in Hypothesis 9. PLSPM is known to be a popular method for providing an iterative combination of principal components analysis which relates measures to a construct and path analysis that captures the structural model of the constructs (Miremadi, et al., 2011).

Nevertheless, the covariance-based approach and LISREL software were also used in this particular case to assess the quality of the measurement models. The hypothesized paths in the conceptual model were analyzed by SmartPls 3 software (Ringle, Wende, and Will, 2015), and the causal model was judged on the basis of explaining variances (R^2) and Stone–Geisser tests (Q^2), following Chin (1998) and Hulland (1999).

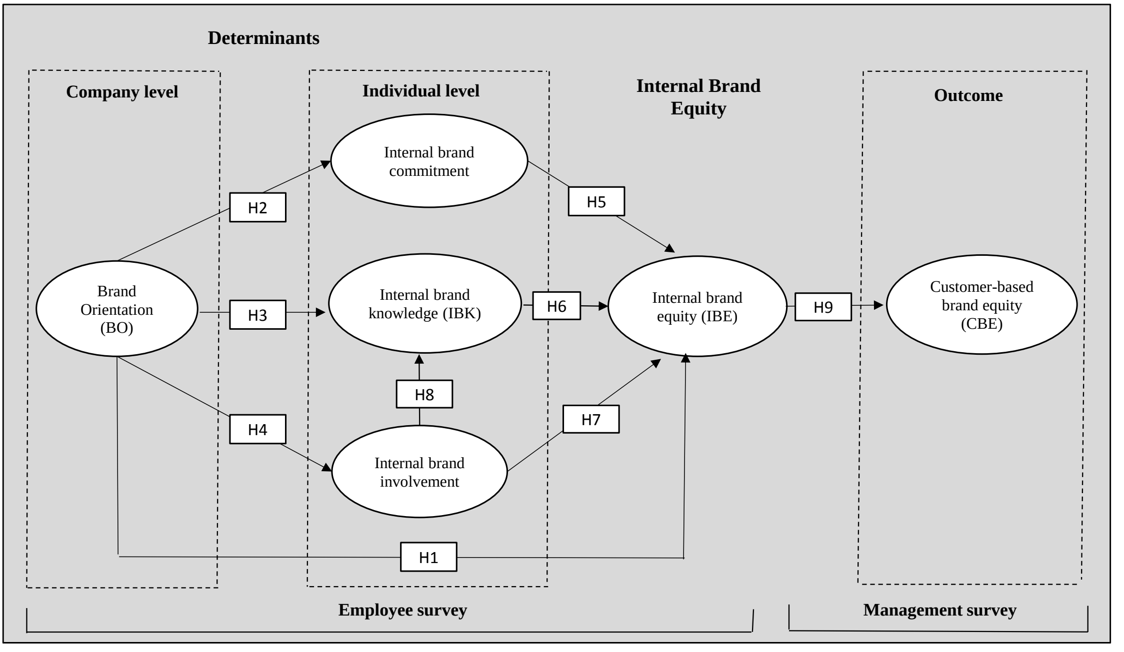

Fig 1: The Conceptual Model

As a first step, we assess the reliability, validity, and dimensionality of our constructs. For this purpose, we check Cronbach's alpha for all construct that were above 0.70 in all constructs, and then we conduct a confirmatory factor analysis (CFA) with six factors, each representing one of our main model constructs. To assess the items of the constructs more precisely, we conducted a confirmatory factor analysis by means of the maximum-likelihood estimation method using LISREL 9.2. The result of this process showed that all 40 items loaded on their corresponding factors, which supported the independence of the constructs and provided strong empirical evidence of their validity.

Confirmatory factor analysis (CFA) of the multi-item scales produced an acceptable fit of the data (Table 2). All factor loadings were above 0.35 and are statistically significant. In addition, the average variance extracted (AVE) and composite reliability (CR) values were greater than 0.5 and 0.7 respectively, which guarantees the internal validity of the measurement model (Bagozzi and Yi, 1988).

We find a significant chi-square (χ^2 = 832.65; df = 584, $p < 0.00$), as well as an overall goodness fit indicated by the transgression of the respective thresholds of well-established fit measures (GFI = 0.92; CFI = 0.99; RMSEA = 0.025). We also present the construct properties of our study in Table 2, which shows all factor loadings to be significant and reliable (t-values > 2; $p < 0.00$).

	Mean	Std. Dev.	Loading	T-value
Internal Brand Equity = 'IBE' (AVE =.51; CR =.78)[b]				
IBE1	4.325	0.599	0.46	5.77
IBE2	4.223	0.601	0.63	9.94
IBE3	4.133	0.677	0.70	11.74
IBE4	3.794	0.879	0.37	3.66
IBE5	4.167	0.688	0.70	11.76
IBE6	4.146	0.673	0.64	10.25
IBE7[a]	4.136	0.428	0.96	19.93
IBE8[a]	4.110	0.464	1.00	21.46
Internal Brand Commitment = 'IBC' (AVE =.55; CR =.83)				
IBC1	4.103	0.709	0.66	10.72
IBC2	4.030	0.822	0.78	13.81
IBC3	4.103	0.760	0.67	10.82
IBC4	4.128	0.725	0.75	12.96
IBC5	4.094	0.767	0.73	12.41
IBC6	4.111	0.812	0.76	13.34
IBC7	4.105	0.739	0.70	11.72
IBC8	4.054	0.840	0.90	17.46
Internal Brand Knowledge = 'IBK' (AVE =.54; CR =.75)				
IBK1	4.184	0.686	0.66	8.10
IBK2	4.145	0.683	0.77	10.80
IBK3	4.128	0.738	0.85	12.63
IBK4	4.191	0.716	0.66	7.96
IBK5	4.175	0.734	0.77	10.76
IBK6	4.109	0.725	0.79	11.23
IBK7	4.240	0.690	0.65	7.72
Internal Brand Involvement = 'IBI' (AVE =.56; CR =.74)				
IBI1	4.152	0.719	0.76	10.59
IBI2	4.180	0.700	0.67	8.39
IBI3	4.111	0.744	0.75	10.25
IBI4	4.161	0.720	0.71	9.40
IBI5	4.060	0.802	0.85	12.65
Brand Orientation = 'BO' (AVE =.51 ; CR =.80)				
BO1	4.101	0.776	0.78	13.82
BO2	4.137	0.745	0.66	10.57
BO3	4.114	0.710	0.63	9.80
BO4	4.176	0.688	0.56	8.21
BO5	4.141	0.734	0.79	14.23
BO6	4.023	0.860	0.77	13.58
BO7	4.206	0.695	0.66	10.79
BO8	4.180	0.705	0.79	14.19
External Brand Equity = 'CBE' (AVE =.50; CR =.73)				
CBE1	4.639	0.481	0.76	7.17
CBE2	4.231	0.655	0.43	2.87
CBE3	4.418	0.567	0.58	4.75
CBE4	4.471	0.500	0.95	9.27

Notes: Constructs: Cronbach's Alpha: $\alpha \geq 0.7$; $\chi 2/df \leq 5$;
Normed Fit Index (NFI) ≥0.9; Comparative Fit Index (CFI) ≥0.9; Standardized Root Mean Residual (SRMR) <0.1.
** Management survey (n=208)
a. Index of five or six reflective items.
b. Average Variance Extracted and Composite Reliability

Goodness-of-fit statistics of the measurement model

S-B$\chi 2$= 832.65 (584); Root Mean Square Error of Approximation (RMSEA) = 0.025
Goodness-of-Fit Index (GFI) = 0.92; Normed Fit Index (NFI) = 0.96;
Non-Normed Fit Index (NNFI) = 0.99; Comparative Fit Index (CFI) = 0.99;
Incremental Fit Index (IFI) = 0.99

Table 2: Constructs and Measurements of Results

Empirical basis	Hypothesis	Path	Loading	t-value	Acceptance
Employee survey (n=533)	H1	BO → IBE	0.199	4.206	✓
	H2	BO → IBC	0.714	32.738	✓
	H3	BO → IBK	0.451	10.353	✓
	H4	BO → IBI	0.654	22.900	✓
	H5	IBC → IBE	0.336	7.202	✓
	H6	IBK → IBE	0.162	3.614	✓
	H7	IBI → IBE	0.176	4.505	✓
	H8	IBI → IBK	0.326	7.590	✓
Employee and top management survey (n=208)	H9	IBE → CBE	0.392	8.071	✓

Table 3: Estimated effects within the Casual Models

To analyze and test the conceptual model, we apply a Partial Least Square (PLS) approach for Structural Equation Modeling (SEM).

As stated above, convergent validity of the latent variables is acceptable, as suggested by the average variances extracted (AVE) (Hair, et al., 2012). Hair et al. (2012) point out that there are no overall fit indices for PLS, similar to the goodness-of-fit index for LISREL. The cumulative results of the structural model therefore provide the reliable estimation for structural models conducted with PLS.

The determination coefficients (R^2) for the five endogenous variables range between 0.42 (Internal Brand Involvement) and 0.56 (Internal Brand Equity). Chin (1998) and Hair et al. (2011) suggest that the determination coefficients (R^2) of each endogenous variable and their relative average variances extracted (AVE) and the results with respect to the path coefficients are appropriate for the overall evaluation of the model.

An evaluation of the quality of the conceptual model consists of the testing of the nine research hypotheses. Each part of the conceptual model, internal brand equity and its determinants, as well as the link between internal and external brand equity are assessed separately using the partial least squares procedure.

The data collected in the survey of employees were applied to the evaluation of the model of internal brand equity and its determinants. To test the hypotheses relating to the consequence of internal brand equity, indices were determined from the same data set and were then combined with the data collected in the parallel survey of top managers.

With respect to our statistical analysis, all the hypothesis structural paths among the independent and dependent constructs are accepted. Table 3 displays the results of these hypothesis tests. All coefficients are significant ($p<.01$) and in the expected direction, which confirms the logical validity of the constructs, and supports Hypotheses 1-8.

In the first four hypotheses we predict that brand orientation positively affects internal brand commitment, internal brand knowledge, internal brand involvement and internal brand equity. Furthermore, the testing of Hypothesis 5, 6 and 7, which posit respectively that internal brand equity will be positively affected by internal brand commitment, internal brand knowledge, internal brand involvement, all yielded a significant impact, and they were supported. In the previous study by Baumgarth and Schmidt (2010), the influence of internal brand knowledge on internal brand equity was not supported, and we believe that it was rooted as a weak strength of B2B brands among service employees in sectors such as metal production and processing, electrical and electronic engineering, and plant and machinery, which is the result of the specific nature of such industries which require a low level of customer encounter and customer-employee relationships. In our study, we studied B2B sectors which both have a higher level of customer encounter and customer-employee relationships, which lead to the positive influence of internal brand involvement on internal brand equity.

The path coefficients and t-values of the structural model offer support for all hypotheses, as can be seen in Table 3. The model also was found to have acceptable predictive power, the 'blindfolding' technique yielding a Q^2-value of.22 for internal brand equity, which is significantly above zero. Turning to the consequence of internal brand equity, the results in Table 3 further support Hypothesis 9 at a significant level.

Discussion

This research is conducted as an important first step towards knowledge building in an area of internal brand equity among a range of B2B industry sectors, such as consultancy, construction, and financial services, in order to obtain a deep understanding of the considerable impact of employees' consistent behavior on internal brand equity, which is potentially capable of affecting customer-based brand equity. In the context of B2B markets, the vital role of employees to impact on a brand's success has made employees the center of attention in today's competitive marketplace. In the present B2B context, the external environment is rapidly evolving which increasingly highlights the role of service employees as a factor to remain competitive in the marketplace. Service firms must pay considerable attention to the increasingly critical role of service employees in communicating the brand to customers (Baker, et al., 2014). Since functional and emotional B2B brand values are delivered through personal interaction between service employees and customers (King and Grace, 2012), managers should bear in mind that employees' consistent behavior can lead to a strong and successful B2B brand. Strong B2B brands would place organizational products and services as customer preferences during the industrial purchasing decision-making process (Seyedghorban, et al., 2016). Ballantune and Aitken, (2007) believe that "the power of a brand lies in what customers have learned, felt, seen and heard about the brand as a result of their experiences over time." Additionally, Webster and Keller, (2004) site that the power of the brand resides in the minds of customers, which in turn, is shaped through the myriad of possible brand interactions. Therefore, brand-consistent employee behavior which is initiated by brand-oriented corporate culture can ensure proper customer experience, which then contributes to higher customer-based brand equity. The main conclusions of this research lead us to confirm that brand-oriented corporate culture is highly influential in affecting internal and external brand equity. Thus, it can be concluded that applying a brand-centric approach as a company's corporate culture can play a major role in the alignment of employee behavior, which lead to higher employees' brand commitment, higher employees' eagerness for brand relevant information (internal brand knowledge) and higher employees' feeling of belonging and attachment to the brand (internal brand involvement), which all bring about a high level of internal brand equity. It is also evident from the study that internal brand equity has a powerful influence on external brand equity, which highlights the significant role of brand-oriented corporate culture in influencing internal brand equity and demonstrates its relationship with external brand equity.

Managerial implication

The findings raise a number of important implications for B2B managers in the financial, consulting and construction service sectors. First, to keep competitive in today's B2B markets, companies have to extend a corporate culture which can initiate consistent employees' behavior and attitudes in order to capture more customer value and shape excellent customer experience. Furthermore, with regard to the fact that the examined sectors have a level of customer encounter and customer-employee relationships that are much higher than other B2B sectors such as manufacturing, managers should highly consider the significance of encouraging employees' openness to brand-relevant information, which can contribute to increasing brand knowledge and internal brand equity. In this pursuit, service employees should be convinced that their enthusiasm towards the personal relevance of the brand can bring about the company's overall success. Managers in the manufacturing sector should also focus on promoting internal brand involvement, by increasing the personal relevance of the brand among their employees, in order that they can achieve higher internal brand knowledge and internal brand equity as a result. Second, given the fact that B2B brands are known to be a construct which stimulate customer experience, company managers must act proactively to ensure that service employees understand the brand promise and are also able to deliver it in a consistent manner. Lastly, the results offer guidance for managers with regard to focusing on the "inside-out approach" (brand orientation) to stimulate employees' attitudes and consistent behavior.

Limitations and future research

Although this study extends the knowledge of internal brand equity, the findings also have some limitations. Firstly, communicating with business-to-business companies in a broad geographical diversity in Iran was a foremost challenge in our study, due to the inefficient Internet and communication infrastructure which acts as a significant obstacle in B2B communication throughout the country. Secondly, the study was conducted in a single country business environment, thereby suggesting that external validity might be an issue for the generalizability of the results for another B2B environment. Lastly, the lack of sufficient relevant Iranian literature review and statistical data were found to be another constrain in this research, which resulted in presenting inadequate information regarding the business context in Iran.

Future studies should address the B2C industry in order to explore the validity of the internal brand equity model and also, to analyze and compare the results with the B2B context. Since each business environment has numerous influential variables that can impact on the determinants of internal brand equity, future research might thus be conducted in a greater number of business contexts, in order to evaluate the generalization of the results. Likewise, this study only considers brand orientation as a single type of corporate culture and thus scholars and researchers alike should also take into account market orientation as a different type of corporate culture to study its relationship with both internal brand equity and customer-based brand equity.

Leadership styles can also be considered as an influential factor that affects the internal brand equity model. As a result, transformational and transactional leadership should be examined to see whether a company's leadership can bring about sufficient initiative to empower internal brand equity and reinforce customer-based brand equity.

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