

ISASE 2019

Derivation of Evaluation Items of Inner Branding for Quantitative Method

– Proposal of Quantitative Evaluation Method of Inner Branding Using CS Analysis –

Takahiro NISHIHARA*, Masahiro KIYOSUMI* and Hisao SHIIZUKA**

**Kyushu University, Fukuoka, Japan*

***SKEL Shiizuka Kansei Engineering Laboratory, Tokyo, Japan*

Abstract: In general, it is well known that the image of a brand will be better or worse with one employee's actions. Therefore, it is the inner branding that the employee also performs to sufficiently understand the brand. In order to succeed in branding, inner branding is becoming indispensable as with branding for customers. Generally, regardless of inner or outer branding, no research on quantitative evaluation of branding is found. Under such circumstances, this paper aims at quantitative evaluation of inner branding and attempts to derive its evaluation items. Then we propose quantitative evaluation method of inner branding using them.

Keywords: *Inner branding, Quantitative method, CS Analysis*

1. INTRODUCTION

In general, the word “branding” calls to mind the means by which companies make outside parties (customers) aware of their products, but the inner branding discussed in this paper is the concept of changing the attitude of employees themselves. For instance, employees’ working styles can be seen as part of the brand. In other words, employees’ awareness of their company’s brand is an important factor behind brand penetration [1]. Employee hospitality is also part of inner branding. For instance, visitors to first-rate hotels and high-class brand showrooms are often met with first-class hospitality from the staff at these locations. Brand names and logo marks are necessary as well, but employee hospitality is an essential factor behind building a better brand [2].

Individual actions by employees can improve or damage brands. Thus, inner branding is practiced in order to make employees fully aware of the brand. For branding to succeed, inner branding is becoming as essential as customer-targeted branding [3]. In general, whether inner or outer, there are no studies on quantitative evaluation of branding [1–7].

Therefore, in this paper, we will attempt to develop criteria for quantitatively evaluating inner branding and also to propose methods for quantitatively evaluating inner branding using these criteria..

2. INNER BRANDING EVALUATION CHECKPOINTS

Recently, on the internet as well, there has been extensive

discussion on inner branding. On a brief general look at these discussions, the website of the Hakuhodo, an advertising and public relations firm, seems to provide the most skillful, satisfying summary [2]. Of course, other companies are not in the wrong, but often appear to focus on strategic know-how rather than establishing management principles.

Setting aside for a moment their differences regarding company principles, all the sites take the penetration of these principles as a starting point, so the key concept they all hold in common is that branding is impossible unless senior managers have sound principles or business philosophies.

The basic sequence of inner branding checkpoints is shown in Table 1.

3. EVALUATING COMPANY (CUSTOMER) DEGREE OF SATISFACTION

First, with regard to the experimental process and the structure of its content, a customer satisfaction (CS) evaluation method is applied to the evaluation of inner branding [8]. Inner branding acquires meaning as a comprehensive form of branding when it is recognized by employees and executives and, as a result, is reflected in some form of behavior, such as outer branding. Thus, it is necessary to clarify the current degree of satisfaction with the company’s inner branding and if improvements are to be made, where and how to make the improvements.

Customer satisfaction is used, for instance, for purchase of goods, with the concept being that customers make purchases when they feel some sort of satisfaction

with the product, and by companies to evaluate the degree of satisfaction at regular intervals to provide information for developing new products. The degree of importance of these question items can be determined by a single correlation coefficient. For instance, suppose that currently, at several places of business (oi), sales (si) and advertising expenses (ai) are known. At this point, if advertising expenses (ai) are plotted on the horizontal axis and sales (si) are plotted on the vertical axis, the single correlation coefficient diagram of the two can be obtained [8].

Table 1. Inner branding checkpoints

Employees	Managers
S5: On this basis, do employees feel that they fully understand the principles of senior managers? Also, do they feel that the daily actions and decisions of senior managers are in accordance with these principles, and do they resonate with these principles and feel satisfied with them?	S1: Do senior managers have a firm grasp of the company's principles, and are these principles timely and universal?
S6: On this basis, do employees have the sense that these things are shared between organizations, employees, and upper/lower levels, removing communication barriers and building a flexible organization, thus energizing them? (Creation of a flat, fair, respectful communication system)	S2: Have senior managers codified these principles? Have the principles become keywords?
S7: Do employees also feel that the company's management principles are in harmony with the development of branding outside the company, that these principles serve to increase energy, and that they belong to a company with a meaningful role in society that has a stronger sense of solidarity with the rest of the world?	S3: Can senior managers use this to describe their involvement in the company's current business and the company's future business development to parties outside the company?
S8: Based on the above, do employees feel that their own actions are active rather than passive because their images of their positions in the organization and their relations with the world outside the company have improved, and that, thanks to this, their work is more enjoyable and they are happier?	S4: On this basis, have top managers prepared a CI mid-to long-term development plan (manuals, sales promotional materials, events, related business, etc.), and have they publicly explained it to employees?
S9: Do managers and employees have a sense of "yearning/vision" toward their company?	

In general, the following formula gives the correlation coefficient:

$$r = \frac{\sum(x_i - \bar{x})(y_i - \bar{y})}{\sqrt{\sum(x_i - \bar{x})^2 \times \sum(y_i - \bar{y})^2}} \quad (1)$$

The value of the correlation coefficient r falls into the range [-1,1]. If close to +1, the coefficient is positive and the distribution can be approximated by a straight line rising up to the right; if it is close to -1, the coefficient is negative and can be approximated by a straight line falling down to the right. Also, if it is 0, there is no relationship, or correlation, whatsoever between the two.

4. INNER BRANDING SIMULATION EXPERIMENT EVALUATION

(a) Determination of question items and evaluation methods

First, a questionnaire is administered with regard to the aspects of the company's inner branding under evaluation. For instance, suppose that answers to the questions shown in Table 2 are scored with a five-point evaluation. In this case, participants are asked to respond to this five-point evaluation based on their rough ideas.

(b) Overall evaluation

Next, to obtain a rough overall evaluation of a company's inner branding from a general point of view, participants give a general evaluation score using the answers in Figure 1. If the evaluation criteria are the same as those in Table 2, they may be incorporated into the overall evaluation.

Figure 1: Overall evaluation scores

With regard to each evaluation criterion, the responses "Agree completely" and "Agree somewhat" are designated as "good," "Cannot say either way" is designated as "ordinary," and "Disagree somewhat" and "Disagree completely" are designated as "bad," and scores are given as shown in Figure 2.

Figure 2: Example point distribution of evaluation criteria

When points are assigned in this way, a degree of satisfaction graph can be obtained for each criterion, as shown in Figure 3. In this graph, items are ordered from top to bottom with the highest "good" scores appearing first.

- | |
|-------------------|
| 1. Extremely bad |
| 2. Fairly bad |
| 3. Ordinary |
| 4. Fairly good |
| 5. Extremely good |

(c) Graphing CS

- | | |
|------------------------------|----------|
| "Agree completely"..... | 5 points |
| "Agree somewhat"..... | 4 point |
| "Cannot say either way"..... | 3 points |
| "Disagree somewhat"..... | 2 points |
| "Disagree completely"..... | 1 point |

Next, when a single correlation coefficient is calculated for the evaluation criteria and the overall evaluation, Table 4 is obtained. When a graph is drawn with the single correlation coefficient plotted on the horizontal axis and degree of satisfaction (proportion of "good" answers) is plotted on the vertical axis, the customer satisfaction graph (CS graph) shown in Figure 4 is obtained.

Table 2. Example questions

Please tell us what you think about Company A.		Disagree completely	Disagree somewhat	Cannot say either way	Agree somewhat	Agree completely
S1	Company principles of managers	1	2	3	4	5
S2	Principles are codified	1	2	3	4	5
S3	Vision can be described inside and outside the company	1	2	3	4	5
S4	Public explanation to employees	1	2	3	4	5
S5	Employees understand and resonate with principles	1	2	3	4	5
S6	Energetic attitude	1	2	3	4	5
S7	Sense of belonging to the company	1	2	3	4	5
S8	Are you happy?	1	2	3	4	5
S9	Yearning/vision	1	2	3	4	5

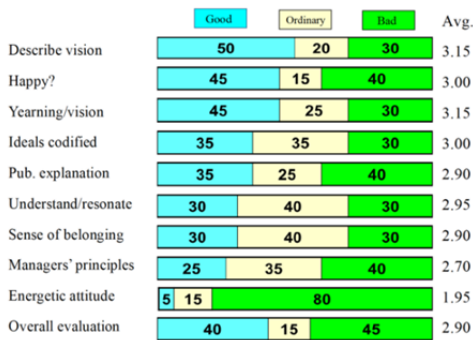
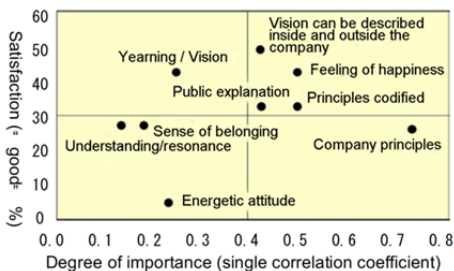


Figure 3. Example of a degree of satisfaction graph (“good” evaluations first)

Figure 4. An example CS graph

(d) Finding the degree of improvement
Introduce degree of satisfaction deviation and degree of importance deviation

Next, we determine which criteria need to be improved based on the CS graph obtained in Figure 4. To do so, at this point, we introduce the degree of satisfaction deviation and the degree of importance deviation. In order to do this, we hypothesize that the distribution of evaluation items will form a bell shape (ideally a normal



distribution). In general, deviation is a value indicating the overall positions of the evaluation values derived from the scores of evaluators under the same standard (with the same bell shape) with the two conditions of average score and standard deviation in this sort of bell-shaped score distribution. With the central point set at a constant 50,

this number estimates the extent to which the width or narrowness of the seam of the bell when converted to the same standard using the standard deviation falls above or below the center portion of the overall distribution of evaluations. Needless to say, the closer to the center of the bell shape, the higher the number of evaluators included in that area. With a deviation of 50 in the center, from 75 to 25, approximately 99% of the population is covered. Thus, the equations to derive the degree of satisfaction deviation and degree of importance deviation under discussion here are defined as follows.

$$\text{Satisfaction deviation} = 10 \times \frac{\text{Satisfaction} - \text{average}}{\text{Standard deviation}} + 50 \quad (2)$$

$$\text{Importance deviation} = 10 \times \frac{\text{Importance} - \text{average}}{\text{Standard deviation}} + 50 \quad (3)$$

The results of calculating the degree of satisfaction deviation and degree of importance deviation using these formulas are shown in Table 5. Figure 5 is a graph depicting the degree of satisfaction deviation and degree of importance deviation of Table 5 (deviation CS graph).

Table 3. Example tally of results

Item	Evaluator									Response variable
	1	2	3	4	5	6	7	8	9	Overall evaluation
Company principles	3	1	4	4	5	2	2	1	2	2
Principles codified	4	4	4	3	3	2	3	5	4	5
Vision	2	3	1	2	1	5	4	1	1	3
Public explanation	3	5	5	4	1	2	1	4	5	4
Understanding resonance	3	4	4	3	3	3	3	5	3	4
Energetic attitude	4	3	3	2	3	2	3	3	4	4
Belonging	4	2	2	5	3	1	3	1	1	4
Happiness	1	1	1	1	4	3	4	4	4	2
Yearning	3	3	4	5	3	1	3	4	3	4
Overall	1	3	3	1	2	1	2	2	2	1
	5	2	2	3	3	2	3	3	4	3
	5	4	4	3	5	2	4	5	4	5
	2	3	3	2	3	1	3	2	3	2
	1	4	4	3	1	1	2	4	4	2
	3	3	2	5	4	1	3	1	2	1
	1	2	2	1	1	2	1	2	2	1
	3	4	4	4	1	2	1	2	3	3
	1	2	3	2	3	1	4	4	5	2
	2	3	4	1	5	2	5	4	4	2
	3	4	4	4	5	3	4	3	3	4

Also, in the deviation CS graph shown in Figure 5, the distance from the point of origin to each of the plot points is found as shown in Figure 6. In general, if the horizontal axis is x and the vertical axis is y, the distance to the coordinates (x1, y1), R, is given by the following equation:

$$R = \sqrt{(x_1 - \bar{x})^2 + (y_1 - \bar{y})^2} \quad (4)$$

Table 4: Example calculation of the single correlation coefficient (degree of importance)

Evaluation item/overall evaluation	Single correlation coefficient
Company principles of managers	0.7313
Principles codified	0.4915
Are you happy?	0.4890
Public explanation to employees	0.4090
Vision can be described inside and outside the company	0.4044
Yearning/vision	0.2512
Energetic attitude	0.2403
Sense of belonging to the company	0.1745
Employees understand and resonate with principles	0.1392

Table 5: Example calculation of degree of satisfaction deviation and degree of importance deviation

Evaluation criterion	Degree of satisfaction (%)	Degree of importance	Deviation (%)	
			Degree of satisfaction	Degree of importance
Company principles of managers	25.5	0.7313	43.4	70.3
Principles codified	35	0.4915	51.3	56.8
Vision can be described inside and outside the company	50	0.4044	63.1	51.9
Public explanation to employees	35	0.409	51.3	52.2
Employees understand and resonate with principles	30	0.1392	47.4	37
Energetic attitude	5	0.2403	27.7	42.7
Sense of belonging to the company	30	0.1745	47.4	39
Are you happy?	45	0.489	59.2	56.7
Yearning/vision	45	0.2512	45	43.3
Average	33.33	0.3701	50	50
Standard deviation	13.46	0.19		

Also, with θ as the angle between the straight line linking the point of origin with the point (80, 20) and the straight line passing through each point, the modification index r is given by the following equation:

$$r = \frac{90^\circ - \theta}{90^\circ} \quad (5)$$

Thus, ultimately the degree of improvement is given by the following equation:

$$\text{Degree of improvement} = \text{distance} \times \text{modification index} \quad (6)$$

Based on formula (6), degree of improvement is a function of the distance and the modification index (angle θ), so the quantitative evaluation and the direction of its improvement become clear.

Based on the above, when the distance, angle, modification index, and the degree of improvement of each evaluation criterion are calculated, the results are as shown in Table 6. However, this table is ordered by the degree of improvement. Table 6 shows that in this example, the order of criteria from the highest degree of

improvement to the lowest proceeds from “company principles” to “energetic attitude,” indicating that improvement should be made to these items first, and items with negative degrees of improvement do not need to be improved.

Finally, in the future, we will use the methods described here for a concrete evaluation of inner branding in the field and in improvement experiments.

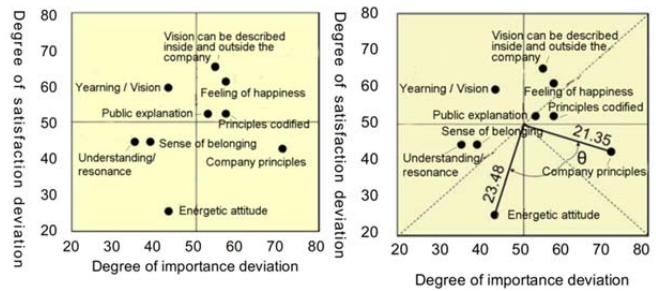


Figure 5: Example of a deviation CS graph (Left) /

Figure 6: Example of modification index and improvement (Right)

Table 6: Examples of solving for degree of improvement

Evaluation criteria	Distance R	Angle θ	Revised index r	Degree of improvement
Company principles of managers	21.35	27	0.699	14.92
Energetic attitude	23.48	63.1	0.299	7.02
Principles codified	6.95	55.88	0.379	2.64
Public explanation to employees	2.55	75.94	0.156	0.4
Are you happy?	11.37	98.94	-0.099	-1.13
Sense of belonging to the company	11.31	121.57	-0.351	-3.97
Employees understand and resonate with principles	13.24	123.56	-0.373	-5.40
Vision can be described inside and outside the company	13.27	126.63	-0.407	-5.40
Yearning/vision	11.36	171.02	-0.900	-10.23

5. CONCLUDING REMARKS

In this paper, we have proposed a method of quantitatively evaluating inner branding using the concept of customer satisfaction. Until now, there has been no quantitative method of evaluating inner branding, so in one sense, our methods here have put forth a new methodology for addressing the problem of evaluating inner branding. In future, we plan to approach actual companies (mainly small to mid-sized companies engaged in B2B transactions), collect concrete data, and attempt to establish a quantitative evaluation method for companies' inner branding. We plan to continue to publish reports on this topic.

ACKNOWLEDGMENTS

In deriving the evaluation items shown in this paper, Rio Takegawa of Thinka Design gave us adequate advice on inner branding in the field and the checkpoints for its evaluation. In addition, Mr. Kotaro Tachiya of Hakuhodo gave us valuable advice from a managerial position. We would like to express our sincere thanks to both of them here.

REFERENCES

- [1] Kainosho Masaaki; Inner Branding: How to Foster an Attitude of Company Success in Employees; Chuokeizai-sha, Tokyo, 2005.
 - [2] Tsubura Kazuki, Tani Teruaki, Sasaki Takayuki, and Kuwahata Hideki; Relevant Inner Branding: Planning Employee Behavior; First Press, 2011.
 - [3] Ijiri Takehisa; The Driving Force Behind Products That Sell: Inner Branding Concepts; Ronsosha, Tokyo, 2016.
 - [4] Internal Branding,
http://www.hakuhodo-consulting.co.jp/blog/branding/branding_20160331/
 - [5] Inner Branding,
<http://www.chibico.co.jp/blog/business/inner-branding/>
 - [6] Xu Chengmin, Li Meishan; A Study of Strategic Internal Planning to Build and Strengthen Brand-Inspired Companies, Collection of Papers on Economics and Management; 24(1), pp. 13–28, October 2016.
 - [7] Kondo Akira; Investigation of Service and Design Methodologies (3): A Study of Inner Branding for Employees of Service Provider-Side Companies, Design Studies Institute of the Japanese Society for the Science of Design, pp. 190–191.
 - [8] Kan Tamio; Learning Introductory Multivariate Analysis with Excel; Ohmsha, Tokyo, 2013.
-