

**EFFECTS OF INTERNAL BRANDING PRACTICES ON BRAND PERFORMANCE****A CASE OF SMALL & MEDIUM ENTERPRISES IN NAIROBI KENYA****KORI FAITH WANGUI<sup>1</sup>, MURIITHI, SIMON<sup>2</sup>, NJERU, ERIC<sup>3</sup>****<sup>1,2,3</sup> Kenya Methodist University****Abstract**

This study aimed at determining the effect of internal branding practices on brand performance in Kenya. The higher the internal brand practices, the stronger the effect on brand performance measures. The objective of the study was to establish the effects of internal branding practices; internal communication, training support, brand leadership, recruitment, reward and recognition and their effect on brand performance of small medium enterprises in Kenya. The study reviewed literature of past similar studies to inform the study design as well as selection of measures for variables under investigation. A descriptive research design was used in this study. The target population for the study was the top 100 SME's listed in the KPMG and Daily nation 'Top 100 mid-sized companies' survey 2016. A sample of 81 was picked using a stratified random sampling strategy while self-administered structured questionnaire was used for data collection. The Cronbach's alpha coefficient was used to evaluate the reliability of the data collection instruments. Descriptive statistics and regression analysis was used to analyse the data using Statistical Package for Social Scientists (SPSS) software. A full regression model was conducted to obtain R squared which showed the model fitness and it was revealed that there exists direct positive relationship between brand performance and internal communication ( $\beta_1=0.175$ ,  $p=0.006$ ), training support ( $\beta_2=0.482$ ,  $p<0.0001$ ), recruitment, reward & recognition ( $\beta_4=0.152$ ,  $p<0.0001$ ). However, the study also found out that brand leadership is not significant in determining brand performance ( $\beta_3 = -0.059$ ,  $p = 0.281$ ). The study recommend that SME's in Kenya should consider training support to enhance internal branding practices thus increase brand performance. The SME's also should ensure that the internal communication between senior management and employees is effective and efficient to enhance internal branding. A solid recruitment, reward and recognition strategy that ensures employees positively relate to the company's brand should be considered. Since the study found that there's no significant relationship between brand leadership and brand performance, further studies on this variable can be conducted to establish the importance. Further research can be conducted using the SME's that are located outside Nairobi and also outside Kenya.

**Keywords:** Brand Performance, Internal Branding, Internal Communication, Leadership, Recruitment, Reward and Recognition and Training Support.

## **Introduction**

With the constantly fluctuating economy, rising globalization, and rapidly advancing technology, competition among firms is becoming increasingly intense. As a result, the role of a firm's corporate brand is becoming more important. Not only is a strong corporate brand a way for firms to attract potential customers and ensure existing customer loyalty, but it can also be used internally via employees. As key mediators between the corporation and external stakeholders, employees are important tools to deliver brand promises in a way that is consistent with the firm's values. In addition, with the change in the external environment, it is becoming more common for a firm's primary competitive advantage to lie within the firm itself, and not just in the products it offers. Building the corporate brand internally, and furthermore, partaking in 'internal branding' initiatives can improve firm performance, in addition to increasing employee satisfaction and indirectly helping to ensure customer loyalty, by guaranteeing that employees are consistently delivering the brand promise (Caster & Linnes, 2013).

Internal branding has grown as a concept that can help organizations to make their employees act in accordance with their brand and its values, which will lead to increased brand performance (Kimpakorn & Tocquer, 2010). Companies, particularly those with an international reach, devote many resources to developing, maintaining, and improving marketing efforts. Traditionally, marketing initiatives were aimed at selling products or services, or to bolster the general brand image in the mind of consumers. Recently however, there has been a noticeable shift toward internally-focused marketing initiatives (Caster & Linnes, 2013). Internal branding, which encompasses not only internal communication, but also internal training structures and processes helping firms to ensure that brand promises are consistently met. By providing the necessary training, and reinforcing it via consistent internal communication, firms are able to support employees in "self - actualizing" brand promises, in turn allowing for the consistent delivery of brand promises to stakeholders (Khan, 2009).

According to the Human Resource Director of Unilever Company, Ellen Bvekerwa, the people resource is the most important aspect for the success of a company. She said "Unilever has put in place policies that ensure the workforce is fully catered for (Unilever, 2015). Sir Richard Branson, founder of the Virgin Group, reiterated this, saying "Our customers and investors relate to us more as an idea or philosophy than as a company. We offer the Virgin experience, and make sure it is consistent across all sectors. It's all about the brand" (Branson, 2011). In a case study representing the Thai hotel industry which was adopted with mixed methodologies showed that Internal branding coordinating marketing with human resource management has a statistically significant impact on attitudinal and behavioral aspects of employees in their delivery of the brand promise. As employees' brand commitment does not have a statistically significant relationship with employees' brand performance, it is not regarded as a mediator in the link between internal branding and employees' brand performance. However, a number of significant managerial implications are drawn from this study, for example using both internal communication and training to influence employees' brand supporting attitudes and behaviors. It was also noted that the effect of internal branding on employee behaviors could be dependent on the extent to which it influences their brand attitudes (Wirtz, Johnston, & Seow, 2009).

In 2006, the CMA, Canadian Marketing Association, interviewed 11 senior marketers who are responsible for internal branding within their organizations. Results showed that internal branding is a relatively new approach for leading Canadian companies, and many of those companies lacked clearly defined responsibilities for internal branding. The five top challenges to effective internal branding practices were: ineffective communication, inconsistencies, getting employee buy-in, obtaining senior executive commitment, and availability of time. Based on the interviews, the researchers identified six categories of internal branding techniques: internal communication, training support, leadership practices, reward and recognition, recruitment practices, and sustainability factors (MacLaverty, McQuillan, & Oddie, 2007). Employee branding is increasingly becoming a real and enduring source of business advantage here in Kenya.

The BSD Company here in Kenya helps companies align their employees to their brand. Recently, Athi Water Services Board (AWSB) a State Corporation under the Ministry of Water and Irrigation constituted to provide water and sewerage services contracted BSD to help define and develop a brand positioning, new corporate identity, internally brand align teams and develop a communications strategy. The overall objective was to create a strong brand that would generate significant value for stakeholders as well as the organization. "We developed an internal engagement structure that cascaded the new brand promise to its key stakeholders. This included both employees and critical partners" said BSD. On the same mission, XRX is one of the most successful technology brands in Kenya. Over time, their product portfolio slowly exceeded its previously known XEROX brands to other fully owned products thus creating the need to reposition the brand and define a new brand promise. BSD's challenge was to create a new corporate brand to elevate its profile and better reflect its business purpose. This was then cascaded through to the entire organization through employee workshops that were geared towards building brand champions (Group, 2009).

Small and medium-sized enterprises (SME's) are non-subsiary, independent firms which employ less than a given number of employees. This number varies across countries. The most frequent upper limit designating SME is 250 employees, as in the European Union (OECD, 2005). Every year in Kenya a survey is done of the top 100 SME's. The Top 100 survey, which is run by the Business Daily, a publication of the Nation Media Group (NMG) and audit firm KPMG, is open to small and medium-sized enterprises with an annual turnover of between Sh70 million and Sh1 billion. Entrants in the survey must have had revenues ranging from Sh70 million to Sh1 billion for the last three years, should not be a bank, insurance company, Sacco, a legal or audit firm. For any past participants who exceed the 1 billion mark, they automatically graduate to the esteemed elite Club 101. Participants are required to submit ten key ratios through a Financial Questionnaire. Those with the best revenue growth rates, return to shareholders and liquidity rates will rank high as these are considered the key insights on the companies' performance. The ratios are also weighted to take into account revenue range and growth trends with key emphasis on the current year's performance. Key to note is that a company performing well on these parameters fits the profile of the fastest growing mid-sized companies that are also financially stable. Companies in the consumer and industrial were by far the most prevalent, with manufacturing, retail, transport, construction and ICT accounting for close to two-thirds of the sample. (KPMG & NationMedia, Kenya Top 100 Mid-Sized Companies, 2016).

### **Problem Statement**

A study was conducted by Almgren, *et al.*, (2012) who used data from 204 sales personnel employed at national retail firms in Sweden to determine the components of internal branding in order to clarify the relationship between internal branding and brand commitment of customer contact employees. The majority of employees recruited at the retail stores are those who have studied only till the 12th std. Pre-University level. 65% of the employees at the multi-brand retail stores fell in the age bracket of 20 to 25, indicating a very young workforce. Out of the respondents only 13% of them had stayed on with the organization for more than 3 years, indicating high turnover and attrition. Employees who have been newly recruited into the organization and who have not yet completed one year with the firm require more activities with respect to Brand-Oriented Training, Brand-Oriented Leadership and Brand-Oriented Recruitment in order to maintain and increase their Affective Commitment (Christopher, 2014). Previous research has demonstrated that brand equity is an important antecedent of loyalty and behavior (Vogel *et al.*, 2008) and hence, firms need to find ways to positively influence brand perceptions.

Christiaans (2012) States that employer brands establishes “the identity of the firm as an employer. It encompasses the firm’s values, systems, policies, and behaviors toward the objectives of attracting, motivating, and retaining the firm’s current and potential employees” It elaborates by stating that such a definition indicates that employer branding involves promotion activities, both within and outside the firm and also further suggests that an effective employer brand is holistic and applies for both the internal and external markets of employees. Identifying internal branding practices which appear to contribute to success would provide an important basis from which to carry on research within this field and potentially offer interesting implications for practitioners which may develop brand building in practice. There are few studies that have been done on effects of internal branding practices on brand performance in manufacturing firms in Kenya. Therefore, this study was done to accomplish these for a better understanding and implication of the concepts.

### **Purpose of the study**

The purpose of the study was to find out the effects of internal branding practices on brand performance.

### **Objectives of the study**

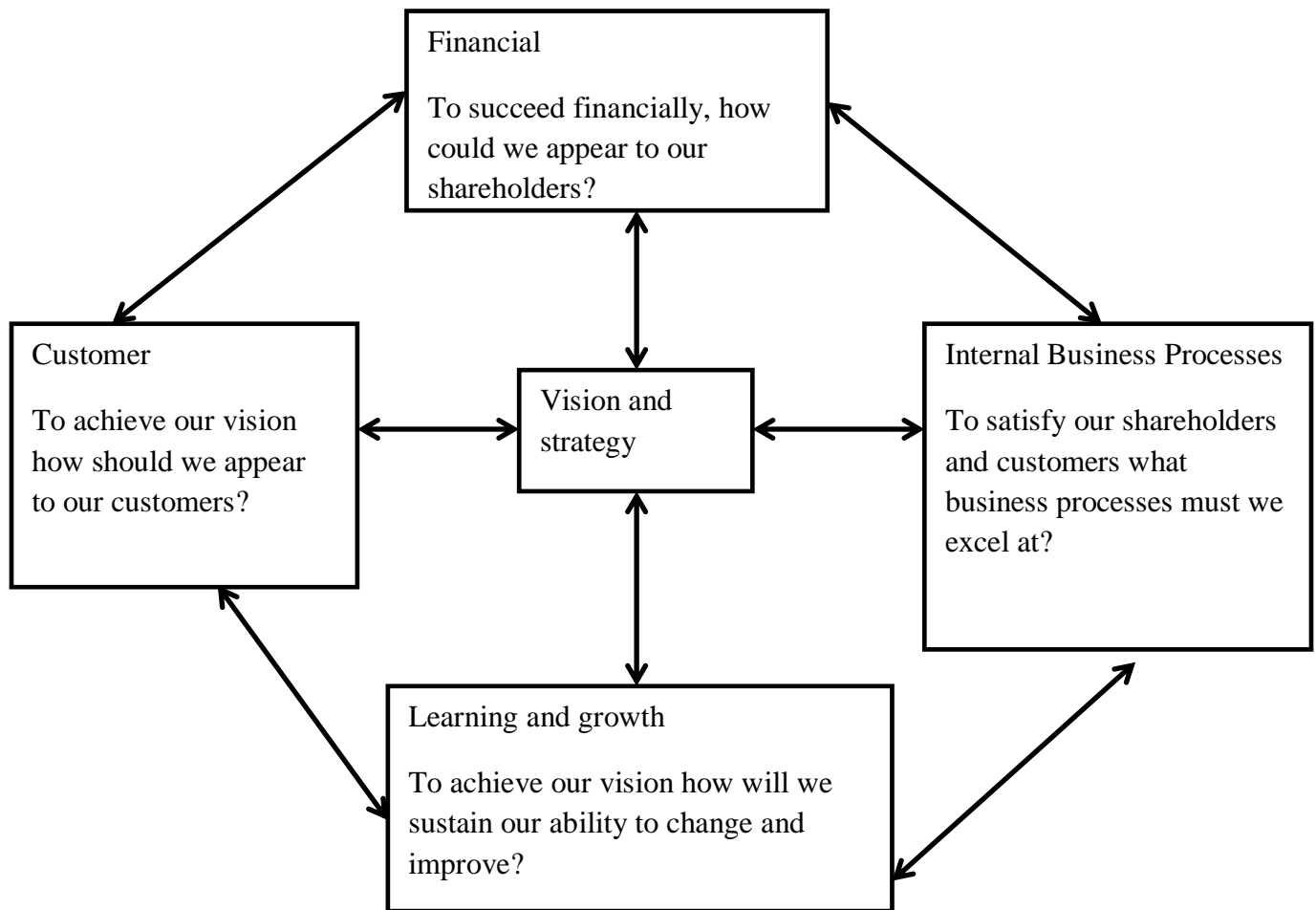
The study was guided by the following objective

- i. To establish the effects of Internal Communication on Brand Performance
- ii. To investigate the extent to which training support influences the brand performance
- iii. To establish the relationship between Leadership and Brand performance
- iv. To find out the extent to which recruitment, reward and recognition practices affect brand performance

## Theoretical Frameworks

### Balanced Scorecard Model

A brand is the sum total of value attachments by the customers to a given brand. Brand owners add value at each and every function and action performed, starting from product conceptualization to post purchase experience for the customer. Brand performance can be understood as the value perception by customers for each such value addition. Value addition can be very well understood through Balanced Scorecard (BSC) model as developed by Kaplan and Norton. Balanced Scorecard (BSC) aims at attaining a balance between several dimensions of performance including financial, internal business processes, customers and the need of learning and growth. The critical point is that in order for the organization to be successful it needs to understand the interactions between actions and results (Rosa *et al.*, 2006).



**Figure 1: Balanced scorecard model (adopted from Rosa *et al.*, 2006)**

Customer perspective defines the behavior of customers towards our brand. This can be tracked with various aspects/metrics: Brand Awareness & Positioning: Measuring the awareness of brand among customers and understanding position of the brand. Tracks for estimating how and where the brand awareness & positioning can be maintained and through them it can be known whether the brand is actually performing as planned. And thus it is possible to put check and control on the performance; are there any positive results of these actions? (Liu, 2007).

Learning & growth perspective; An organizational goal can be achieved only when everyone in the organization feels an association towards it, and they work at the same pace, with the same methods and systems. This is not limited only to marketing division but for each and every department. Along with these factors other factors like, employee motivation, satisfaction, capabilities, productivity and retention are also to be considered. Learning and growth is a factor of communication, training support, leadership, reward, recruitment and recognition.

### **LOGMAN Model**

Using insights from gap analysis and quality function deployment, the logical brand management model, which is referred to as the LOGMAN model, extends and refines the brand value creation model. The ultimate goal of brand equity building is to move the consumer from brand awareness to brand insistence. The brand management model incorporates five elements that drive a consumer to insist upon a particular brand to meet his or her needs – brand awareness, accessibility, value, relevant differentiation, and emotional connection. Influencing customer perceptions of the company's brand drivers and the external brand drivers refers to the proactive nature of brand management. Integrating a learning perspective refers to the reactive nature of brand management. Moreover, the logical brand management model allows analyzing the logical consistency of a company's brand strategy. A company that has focus on brand drivers to become successful should note that there is need of employee communication, leadership, training, reward, recruitment and recognition for the company to achieve their goals in brand performance (Logman, 2004).

### **Transformational Leadership Theory**

Transformational leadership theory advocates for the leader moving the follower beyond immediate self-interests through idealized influence (charisma), inspiration, intellectual stimulation, or individualized consideration. It advocates for elevating the follower's level of maturity and ideas, as well his or her concerns for achievement, self-actualization, and the well-being of others, the organization, and society. A leader ability to influence the follower will have a direct bearing on brand performance. Transformational leaders will inspire and motivate, and belief in company followers, its values, aspirations etc as a distinction to critical internal brands (Kaufmann, Vrontis, Czinkota, & Hadiono, 2012).

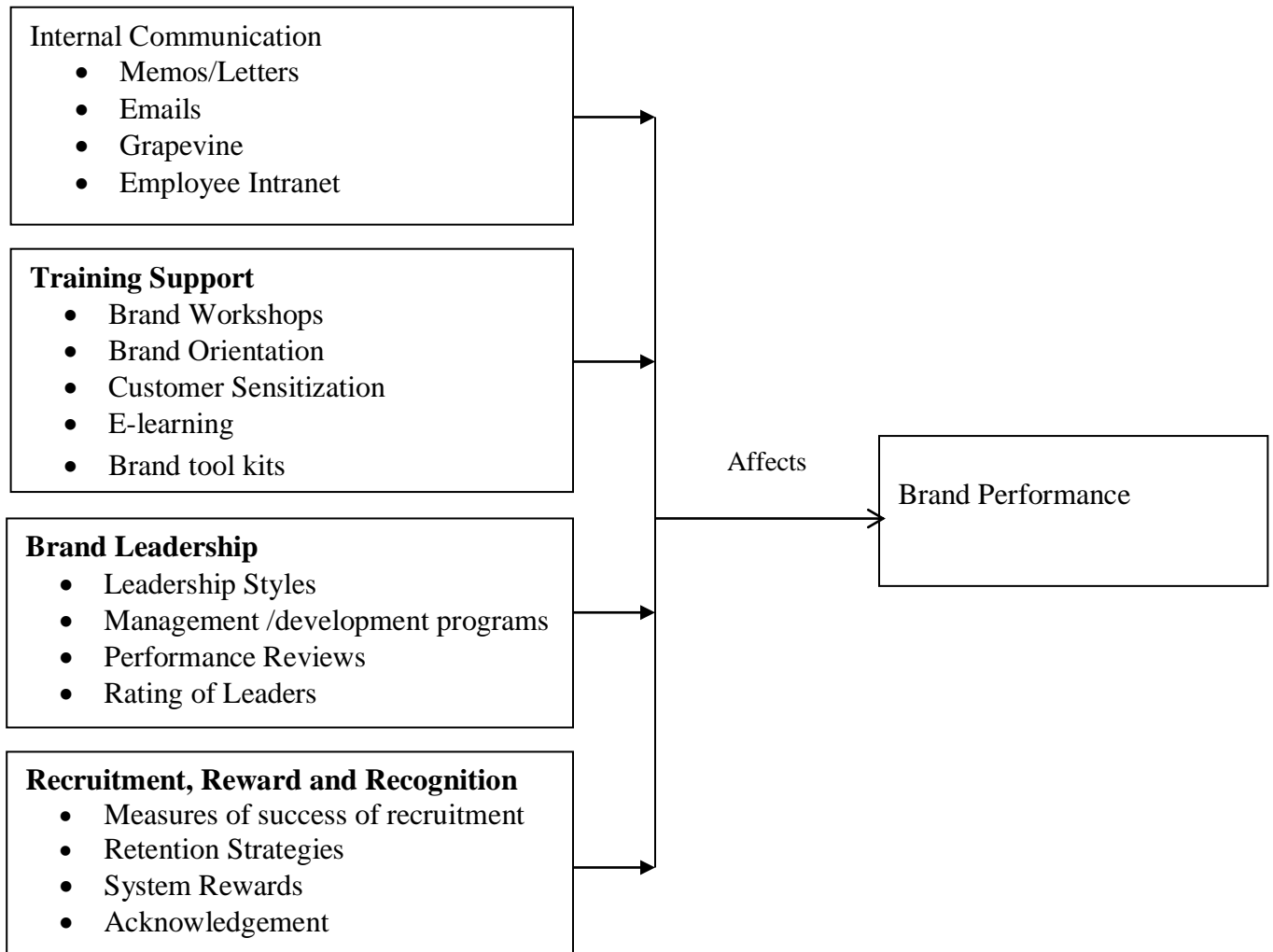
### **Human Capital Theory**

Human Capital Theory states that human capital which is the amalgamation of factors such as education, experience, training, intelligence, energy, work habits, trustworthiness, and initiative affect the workers' productivity. Trainings nowadays focus on not only fundamental aspects but the role of each staff in customer sales factor thus brand performance. Human capital process such as training (short/long term) are critical in enhancing brand values among staff. In successful company's regular training, staff meetings are held to instill the brand values among staff (Frank & Bemanke, 2007).

### **Conceptual Framework**

In this study, the dependent variable is brand performance while the independent variables are Internal Communication, Training Support, Leadership, Recruitment, Reward and Recognition.

### Internal Branding Practices



**Independent variables**

**Dependent variable**

**Figure 2: Conceptual Framework**

**Internal Communication:** Communication within any organization is necessary for its smooth functioning. It is the means with which people strive to attain organizational goals and objectives and ultimately the common core goal of profit and progress. Lack of effective communications may lead to misunderstandings, lack of information, lower performance and more employee rotation. When managers cannot communicate with their employees, it leads to poor performance. The same is true when employees do not trust their managers. Good communication may help to increase job satisfaction, safety, productivity, and profits and decrease grievances and turnover.

**Training Support** is essential for all employees, at all companies and organizations, across all industries. Your brand begins with your people. Give them the knowledge they need to represent your organization the way you want it to be represented. Ultimately, investing in Brand Training will pay off for your company in a number of ways: It will amplify the power and clarity of your message, enhance your brand perception and generate more loyal customers. Those benefits will work to boost your business in the here and now, and strengthen your brand moving into the future.

**Leadership** is considered one of the most prominent factors in influencing behaviours of the organizational members (i.e. employees) toward the accomplishment of organizational performance, evidently, much is known on how leadership style influences employees' behaviour specifically on the job and organizational performance. In relation to the corporate branding studies, however, little is known on how leadership style influences employees' brand behaviours. But researchers have highlighted the role of organizational leaders (especially top management and supervisors) as influential predictors of employees' brand attitude and behaviours. Leader-member exchange studies have helped expand the field of internal branding. Leadership influences brand commitment and consequently brand-supportive behaviours, by acting as a role model and communicating consistently the brand values. However, these researchers did not discuss the specific types of leadership that might influence such behaviour but limited to studying the relationship between employees and leaders that took place during the process of internalization.

**Reward, Recruitment & Recognition:** The translation of the corporate brand internally to employees must be supported by the mission, goals, values and culture of the organization where employees 'buy in' to organizational values and programs. Reward systems could be viewed as an important mechanism through which commitment to the brand is engendered within a branch network, and therefore an integrative element in corporate brand building. Effective reward and recognition schemes have the ability to enhance motivation and commitment. Reward systems have also been viewed as increasing both the economic and psychological switching costs which classify notional psychological contracts as either transactional or relational. Transactional contracts are based on principles of economic exchange and tend to be more objective, whereas relational contracts are more abstract and based on principles of social exchange. In the study it is seen that relational contracts is more relevant to normative commitment and transactional more relevant to continuance commitment. Therefore it is hypothesized that firms with a more positive view of reward systems within the retail store network will exhibit higher levels of brand commitment.

**Brand commitment** has a positive effect on customer facing employees. Lack of commitment from employees can be harmful to an organization, resulting in poorer performance arising from inferior service offerings and higher costs (Mishra, 2010). Employees need to have a particular feeling of belonging to the brand. Brand commitment is the tendency of a worker to stay with a company that is based on an emotional attachment. Therefore, the higher the employees brand commitment, the greater is the influence on brand promise delivery; customer satisfaction, customer loyalty.



**Brand Identification** with the brand means that the employee feels belongingness to the brand to such an extent that when the brand performs badly, the employee experiences it as personal failure. In addition, the brand identity should be seen as a group identity in order for the employee to feel a desire to belong to the group.

**Brand Loyalty** is defined by how people feel. Brand loyalty begins with an authentic relationship. Successful organizations understand that strengthening the connection between their brand, their employees, and their customers will promote financial success. Going further, by building personal relationships based on authenticity and trust, companies can develop levels of commitment that lead to sustained growth and success. Loyal employees are the heart of successful companies. When people feel fulfilled at their jobs, they go above and beyond to help the organization improve.

### Research Methodology

In this study, descriptive research design was adopted. Descriptive research design is chosen in this study because the study aims at finding out the effects of internal branding practices on brand performance of manufacturing firms in Kenya. The target population for this study was the top 100 SME's listed in the Kenya top 100 SME's companies in 2016. The distribution of the respondents as it appears on the list of Kenya top 100 SME's companies in 2016 is shown below;

**Table 1: Target Population**

<b>Stratum</b>	<b>Target Population</b>
Service	37
Manufacturing	23
Wholesale	20
Retail	10
Transport	4
Infrastructure/Construction	2
ICT	2
Tourism	1
Agriculture	1
<b>Total</b>	<b>100</b>

Stratified sampling was utilized in determining the sample size because the population of SME's firms in Kenya is heterogeneous. Stratification was based on the nature of the firm; Manufacturing, Wholesale, Retail, Transport, Infrastructure, ICT, Tourism and Agriculture. A sample of 81 was picked using stratified random sampling. The sampling frame is as shown in table 2 below.

**Table 2: Sampling Frame**

<b>Stratum</b>	<b>Target Population</b>	<b>Sample</b>
Service	37	30
Manufacturing	23	18
Wholesale	20	16
Retail	10	8
Transport	4	3
Infrastructure/Construction	2	2
ICT	2	2
Tourism	1	1
Agriculture	1	1
<b>Total</b>	<b>100</b>	<b>81</b>

Proportionate sampling was then used where the sample size of each stratum is proportionate to the population size of the stratum. Data collection is the actual process of collecting primary or secondary data from the field of study. A structured questionnaire was used to collect data. SPSS was used to analyze quantitative data while content analysis was used to analyze qualitative data. Quantitative data was represented using tables, while qualitative data was represented using in-themes. To establish the extent to which brand performance affect internal branding practices, piece-wise multiple linear regressions was performed. These multiple regressions help to explore and understand the nature and strength of the relationships between the independent variables and the dependent variable.

## Results and Findings

Both quantitative and qualitative techniques were used in assessing the effects of internal branding practices on brand performance in selected small medium enterprises in Nairobi Kenya.

### Reliability Analysis

**Table 3: Cronbach's Alpha of measurements used in the study**

<b>Cronbach's Alpha</b>	<b>Number of items</b>
0.769	40

The number of items used includes the number of questions asked in the questionnaire which was a total of 40. The Cronbach's alpha is 0.769 which is above 0.7. This indicate that the questionnaires had a high internal consistency and thus reliable in conducting the study.

### Response Rate

Questionnaires were administered to 81 SME's companies in Nairobi. Two questionnaires were administered for every company thus a total of 162 questionnaires. 127 of the administered

questionnaires were retrieved. This makes a response rate of 78%, which is acceptable in quantitative research.

**Table 4: The response rate**

ITEM	Administered questionnaires	Returned questionnaires	Percentage
81 SME's @2 questionnaires	162	127	78%

**Correlation Analysis**

The correlation coefficient can range from -1 to +1, with -1 indicating a perfect negative correlation, +1 indicating a perfect positive correlation, and 0 indicating no correlation at all. (A variable correlated with itself will always have a correlation coefficient of 1). The Pearson Correlation model for combine effect of Internal Communication, Training Support, Brand leadership, Recruitment, reward & recognition on brand performance is indicated in table 5 below;

**Table 5: Correlation between the Dependent variable and the Independent variables**

		Brand performance
Internal communication	Pearson Correlation	.634**
	Sig. (2-tailed)	.000
Training support	Pearson Correlation	.761**
	Sig. (2-tailed)	.000
Brand Leadership	Pearson Correlation	-.242**
	Sig. (2-tailed)	.006
Recruitment & Reward Recognition	Pearson Correlation	.504**
	Sig. (2-tailed)	.000
**. Correlation is significant at the 0.01 level (2-tailed).		
c. Listwise N=127		

**Correlation for Industry classification and brand performance**

**Table 6: Correlation between the Industry Classification of the respondents and brand performance**

		Brand performance
Industry classification	Pearson Correlation	.273**
	Sig. (2-tailed)	.002
	N	127
**. Correlation is significant at the 0.01 level (2-tailed)		

Since the R square in the correlation between the Internal communication, Training support, Recruitment, reward and Recognition and brand performance, has a positive value of 0.634, 0.761 and 0.504 respectively, it signifies that the three Independent variables have a positive effect on brand performance. It also signifies that there is a strong correlation of the three

independent variables with brand performance. The findings also shows that in the aspect of the brand leadership, since the R square has a negative value of -0.242, thus this signifies that brand leadership is not significant in determining brand performance. Since the R square in the correlation between the Industry classification and the brand performance, has a positive value of 0.273, it signifies that there is a strong correlation of the respondent's industry classification with the brand performance.

### Regression Analysis

In this study, a multiple regression analysis was conducted to test the influence among predictor variables on the dependent variable

### Effect of internal communication on brand performance at the small medium enterprises in Nairobi

The regression model for the effect of internal communication on brand performance is indicated in table 7 below;

**Table 7: Regression Model Summary of the effect of internal communication on brand performance**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.634 <sup>a</sup>	0.402	0.398	0.50714

The regression coefficients of the effect of Internal Communication on brand performance are indicated in table 4.10 below;

**Table 8: Regression coefficients on effect of Internal Communication on brand performance**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.245	0.207		6.021	0.000
	Internal Communication	0.584	0.064	0.634	9.173	0.000

Using the model  $Y = aX_1 + b + e$  and substituting for  $a = 0.584$ ,  $b = 1.245$  and  $e = 0.50714$ . The model of the relationship between Internal Communication and brand performance effectiveness becomes;  $Y = 0.584X_1 + 1.75214$ . Where  $Y =$  Brand Performance and  $X_1 =$  Internal Communication

**Effect of Training Support on Brand performance at the small medium enterprises in Nairobi**

The regression model for the effect of training support on brand performance is indicated in table 9 below;

**Table 9: Regression Model Summary of the effect of training support on brand performance**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.761 <sup>a</sup>	0.579	0.576	0.42554

The regression coefficients of the effect of Training Support on brand performance are indicated in table 10 below

**Table 10: Regression coefficients on effect of Training Support on brand performance**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.988	0.165		5.985	0.000
	Training Support	0.659	0.050	0.761	13.117	0.000

Using the model  $Y = aX_2 + b + e$  and substituting for  $a = 0.659$ ,  $b = 0.988$  and  $e = 0.42554$ . The model of the relationship between Training Support and brand performance effectiveness becomes;  $Y = 0.659X_2 + 0.988$ . Where  $Y =$  Brand Performance and  $X_2 =$  Training Support

**Effect of brand leadership on brand performance at the small medium enterprises in Nairobi**

The regression model for the effect of brand leadership on brand performance is indicated in table 11 below

**Table 11: Regression Model Summary of the effect of brand leadership on brand performance**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.242 <sup>a</sup>	0.059	0.051	0.63644

The regression coefficients of the effect of Brand leadership on brand performance are indicated in table 12 below;

**Table 12: Regression coefficients on effect of brand leadership on brand performance**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.882	0.287		13.532	0.000
	Brand leadership	-0.248	0.089	-0.242	-2.793	0.006

Using the model  $Y = aX_3 + b + e$  and substituting for  $a = -0.248$ ,  $b = 3.882$  and  $e = 0.63644$ . The model of the relationship between Brand leadership and brand performance effectiveness becomes;  $Y = -0.248X_3 + 4.51844$ . Where  $Y =$  Brand Performance and  $X_3 =$  Brand Performance

**Effect of Recruitment, reward & recognition on brand performance at the small medium enterprises in Nairobi**

The regression model for the effect of recruitment, reward & recognition on brand performance is indicated in table 13 below

**Table 13: Regression Model Summary of the effect of customer orientation on organizational performance**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.504 <sup>a</sup>	0.254	0.248	0.56647

The regression coefficients of the effect of Recruitment, reward & recognition on brand performance are indicated in table 14 below;

**Table 14: Regression coefficients on effect of Recruitment, reward & recognition on brand performance**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.009	0.174		11.542	0.000
	Recruitment, Reward & Recognition	0.340	0.052	0.504	6.529	0.000

Using the model  $Y = aX_4 + b + e$  and substituting for  $a = 0.340$ ,  $b = 2.009$  and  $e = 0.56647$ . The model of the relationship between Recruitment, reward & recognition Employee and brand

performance effectiveness becomes;  $Y = 0.340X_4 + 2.57547$ . Where  $Y$  = Brand Performance and  $X_4$  = Recruitment, reward & recognition

**Combined effect of Internal Communication, Training Support, Brand leadership, Recruitment, reward & recognition on brand performance at the small medium enterprises in Nairobi**

The regression model for combine effect of Internal Communication, Training Support, Brand leadership, Recruitment, reward & recognition on brand performance is indicated in table 15 below;

**Table 15: Model summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.820 <sup>a</sup>	0.673	0.662	0.37997

From the findings in the above table the value of adjusted R squared was 0.662 an indication that there was variation of 66.2 percent on brand performance, due to changes in Recruitment Reward & Recognition, Leadership, Training support, internal communication. The regression coefficients of the combined effect of Internal communication, Training support, Leadership, Recruitment Reward & Recognition on brand performance are indicated in table 16 below;

**Table 16: Coefficients**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.698	0.276		2.525	0.013
	Internal Communication	0.175	0.063	0.190	2.796	0.006
	Training Support	0.482	0.057	0.557	8.453	0.000
	Brand Leadership	-0.059	0.055	0.058	-1.082	0.281
	Recruitment, Reward & Recognition	0.152	0.039	0.225	3.910	0.000

Using the model  $Y_i = \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_0 + e$  and substituting for;  $\beta_1 = 0.456$ ,  $\beta_2 = 0.231$ ,  $\beta_3 = 0.412$ ,  $\beta_4 = 0.469$   $\beta_0 = 0.176$  and  $e = 0.37997$ . The model of the combined effect of internal communication, Training support, Leadership, Recruitment Reward & Recognition on brand performance effectiveness becomes;  $Y = 0.175X_1 + 0.482 X_2 + -0.059X_3 + 0.152X_4 + 0.698$

+ 1.07797 . Where Y = Brand Performance and X<sub>1</sub> = Internal Communication, X<sub>2</sub> = Training Support, X<sub>3</sub> = Brand Leadership and X<sub>4</sub> = Recruitment, Reward & Recognition.

From the above regression equation it was revealed that practicing internal communication, Training support, Brand Leadership, Recruitment Reward & Recognition to a constant zero, the level of brand performance among small medium enterprises in Nairobi is at 0.698. The magnitudes of the coefficients of regression also show the strength of the influence and the nature of relationship between the variables. Therefore, there exists direct positive relationship between brand performance and internal communication ( $b_1=0.175$ ,  $p=0.006$ ), training support ( $b_2=0.482$ ,  $p<0.0001$ ), recruitment, reward & recognition ( $b_4=0.152$ ,  $p<0.0001$ ). However, the study also found out that brand leadership is not significant in determining brand performance ( $b_3 = -0.059$ ,  $p =0.281$ ).

The findings shows that training support and recruitment, reward and recognition had the highest influence on brand performance with both having  $p$  value  $< 0.0001$ , followed by internal communication with an influence of ( $p$  value = 0.006) among small medium enterprises in Nairobi. This implies that; if managers improve internal communications within their organizations, employees are equipped with sufficient training support on the organization brand, and the organization's recruitment, reward and recognition strategy is maintained appropriately, then brand performance will improve.

### **Conclusion**

According to the findings of the study, it can be concluded that there is a strong positive relationship between internal branding practices and brand performance of SME's in Nairobi. The study also sought to establish effects of each variable that is internal communication, training support, brand leadership, recruitment, reward and recognition on brand performance. Internal branding practices which is the main independent variable in this study was high which could be supported by the fact that majority of the respondents were from the sales and marketing department. This can further be attributed to the fact that a majority of the respondents were employees who are the organization's focus in implementing the internal branding practices, thus supporting the results.

The research findings showed that internal communication, training support, recruitment, reward and recognition had a strong correlation with brand performance. This implies that as if managers improve internal communications within the organization, implement a solid recruitment, reward and recognition strategy and give efficient and effective training support to their employees, then brand performance will improve.

### **Recommendations**

The following recommendation was made to assist in ensuring that internal branding practices are implemented in Small Medium Enterprises in Kenya. The researcher recommends that the Micro and Small Enterprises Authority, which is a state corporation whose mandate is to formulate and review policies and programmes for MSE Sector in Kenya, should implement a



comprehensive awareness on the need to implement internal branding practices to increase their brand performance.

The researcher recommends the small medium enterprises to ensure that the internal communication between senior management and employees is effective and efficient. Also they should implement a solid recruitment, reward and recognition strategy that will ensure that employees positively relate to the company's brand. The researcher recommends the scholars to use the findings of my research to conduct further research especially on Brand Leadership and whether it has any effect not only on the brand performance but also on the organization performance at large. Since my study focused only on the SME's located in Nairobi, I recommend the scholars to conduct further research on the SME that are located outside Nairobi and also outside Kenya.

### **Suggestion for Further Studies**

This study focused on the effects of internal branding practices on brand performance at small medium enterprises in Nairobi, Kenya. It is therefore recommended that similar researches should be replicated in various organizations and different groups, and the results compared so as to establish whether there is consistency on the relationship between internal branding practices on brand performance at small medium enterprises in Nairobi, Kenya. Since this study covers only Small Medium Enterprises in Nairobi, there is need for further study that will cover other Small medium enterprises in the entire country. It's also recommended to conduct the same study in other countries to enable comparability across regions.

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