Measuring Customers' Intimacy?
Evidence from Indonesian Service-Based Companies

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ABSTRACT

Leadership is often regarded as the fuel to jump-start changes and improvement in organizations. At the same time, innovation is widely discussed as an important element in organizational development. In numerous theoretical discussions and stories of companies across the globe, successful organizational innovation depends on leadership. As the leadership pushes for innovation, company's internal branding is expected to improve. This is particularly true for transformation leadership, perhaps. Such an internal branding is expected to shape much stronger employee-based brand equity (EBBE). Likewise, the company's innovation should enhance the customer intimacy by means of word of mouth. The relationships may not have been widely researched though the presence of technology has allowed increasing popularity in electronic communication and information sharing. Electronic word of mouth (eWOM), like testimonies, spreads insights and experiences for others. This affects customers' reactions toward products and services. Service-based companies may have relied on eWOM to keep the traffic-inflows while maintaining intimacy with customers.

The purpose of this research is to analyze the relationship among transformational leadership, product/service innovation, internal branding, electronic word of mouth, employee-based brand equity, and customer intimacy in Indonesian service-based companies, such as; hotels and restaurants. Relying mainly on quantitative approach, based on questionnaire distributions, a structural equation modeling is incorporated to note the simultaneous relationships. The simultaneous relationship is aimed since the selected variables are most-likely present within service-based companies. Separations of any of those variables, or may widely regarded as partial relationships, may not be portraying the actual

condition in companies.

Since the theoretical discussions reveal the favorable relationships among variables, undoubtedly this research expects to provide the necessary empirical evidence to support the theories.

Keywords: leadership, product innovation, internal branding, electronic word of mouth, employee-based brand equity, customer intimacy

I.   BACKGROUND

The Indonesian service-based industry is thriving, particularly in tourist destinations (The Jakarta Globe, 2013; InterContinental Hotels Group, 2014). Hotel industry is one of them. Restaurants are another. This condition attracts international chains, as well as pushing for domestic brands to compete (Ling & Jiahao, 2012). This leads to brand competition among market players.

There are numerous studies on external branding (Keller, 2013), whose focus is on delivering the organization's brand promise to customers (RSW Creative, 2013)to achieve brand equity-based customers (Keller, 2013). However, internal branding, whose purpose is to encourage employees to deliver the organization's brand promise as well as endorsing the external brand (RSW Creative, 2013), may not have been studied extensively (McKee, 2009). External and internal branding are equally necessary in delivering an organization's brand promise (RSW Creative, 2013; Keller, 2013). In fact, fewer marketers are aware of the importance of internal branding and subsequently, a smaller number of employees believe in a company's brand promise and are endowed to delivery it (Marshall, 2013). It is also stated that an organization should begin branding strategies from the within first. Marketers should "*walk the talk*" to distribute the brand promise (Kotler & Keller, 2012), and "*live the brand*" to appropriately and excitingly deliver it to customers (Burmann, Jost-Benz, & Riley, 2009; Al-Olayan, 2011; Xiong & King, 2013). This means that internal branding must be adopted to ensure employees recognize fundamental branding concept to extend it to customers. Eventually, internal branding generates various benefits, both for the hotel business and employees. As stated by Heitman (2012), the Ritz Carlton's legendary mantra "*we are ladies and gentlemen serving ladies and gentlemen*", grew to be the most influential internal hotel brand strategy and it affects a better stability of the brand experience for customers (Wirtz A. , 2012).

Figure 1: Internal Branding Impacts Customer-Brand Relationships
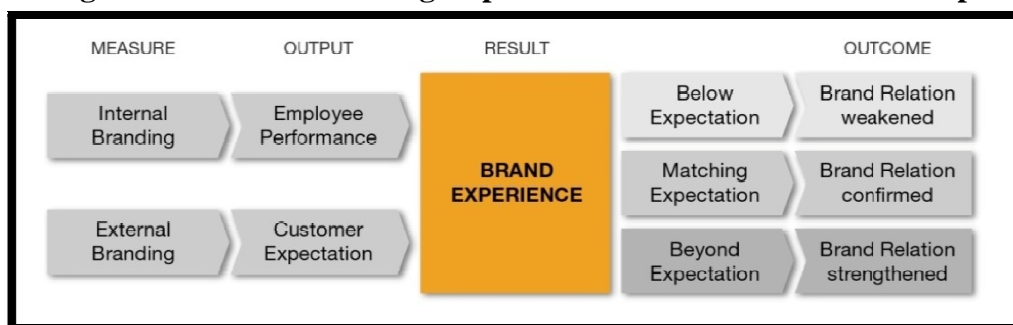
Source: Wirtz (2012)

The stronger the internal branding, the faster it fosters the creation on employee-based brand equity (EBBE) (King & Grace, 2010; King & Grace, 2009). Unfortunately, previous theories on EBBE were relatively limited (King & Grace, 2010; King & Grace, 2009). King and Grace (2009) introduced EBBE as "the third perspective" which was also adapted by Kwon (2013) to measure the influence of EBBE on the Health-Supportive Environment and Culture (HSEC). According to King and Grace (2009), a measurement for maintaining internal brand management is desirable, following 2 initial perspectives in building and measuring brand equity, which are customer-based and financial-based. They consider EBBE to be the foundation of customer-based brand equity (Kwon, 2013).

Figure 2: Components of Brand Equity


Source: King & Grace (2009)

From the technological perspective, it has become a public knowledge that the popularity of electronic communication is increasing along with the rapid development in the digital era. Online information sharing (Ng & Hill, 2009) leads to boundary-less geographical and location barriers (Militaru, 2009), which increases speed toward broader sharing audience. This creates an opportunity of electronic word of mouth eWOM (Cheung & Lee, 2008). eWOM has become an important source of information, which now can be easily obtained from any websites, and also from any social media (Chen & Lurie, 2013; Vimaladevi & Dhanabhakaym, 2012; Alrasheed, 2011). Reviews and testimonies expose both positive and negative experiences. Of course, both positive and negative reviews will impact people even if the degree of impact may not be equally the same for everyone. Another previous study also stated that people will pay more attention to the negative rather than the positive reviews (Chen & Lurie, 2013; Lee & Kim, 2010; Xiaorong, Bin, Qinghong, Liuli, & Yu, 2011).

Figure 3: Review Resources
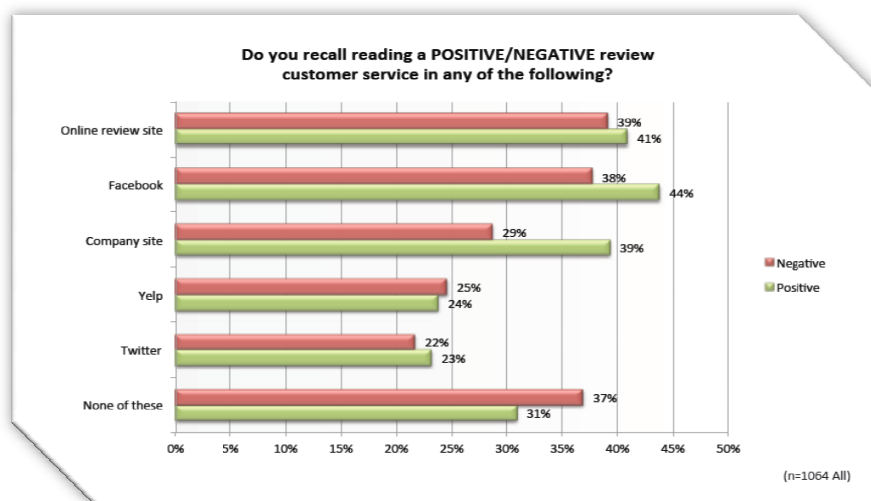
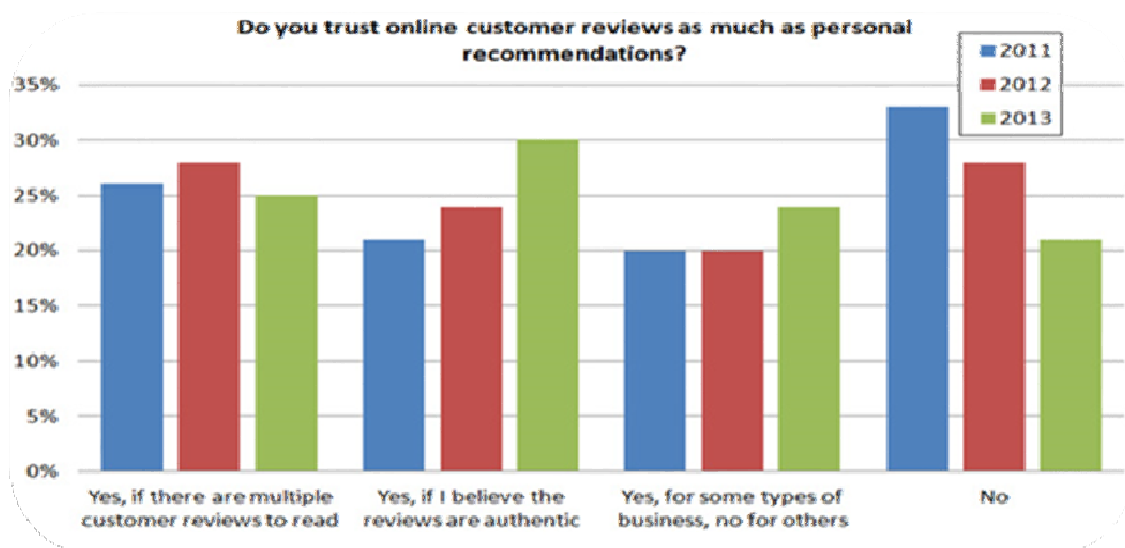**Source: (Gesenhues, 2013)**

Figure 4: Reasons to go Online
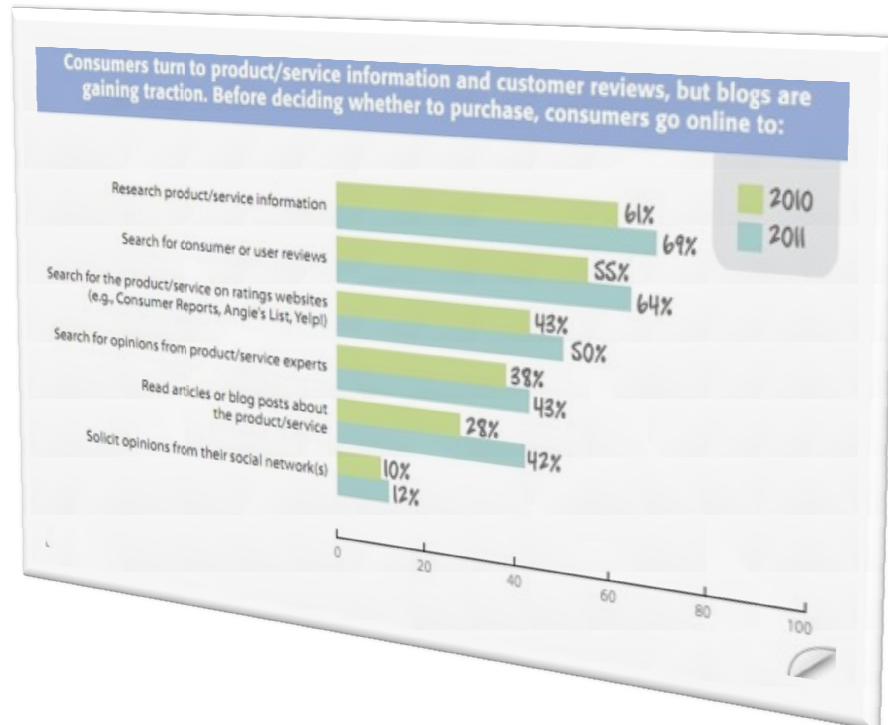
Source: (Reed, 2011)

The following graph shows the level of trust between online review and personal recommendation. Though the following graph is based in the US, similar circumstances may have been prevailing also in Indonesia.

Figure 5: Trusts in Review


Source: (Anderson, 2013)

An image of a business is usually spread faster by word of mouth, and online reviews have started to contribute more to customers' trust and the impact of it has gradually increased every single year with a little bit of fluctuation. It also shows that as customers take a deep concern in online reviews, the number of customers who are not aware is decreasing. These kinds of changes are not so strange since in this computerized era everyone is connected to the Internet. Besides reading what was posted on online reviews, some customers also shared personal experiences regarding products or services consumed before. As previously mentioned, people tend to put more emphasized on the negative reviews and the graph shows the necessary evidence that people tend to spread or share more bad experiences rather than the good one.

Figure 6: Review Affect
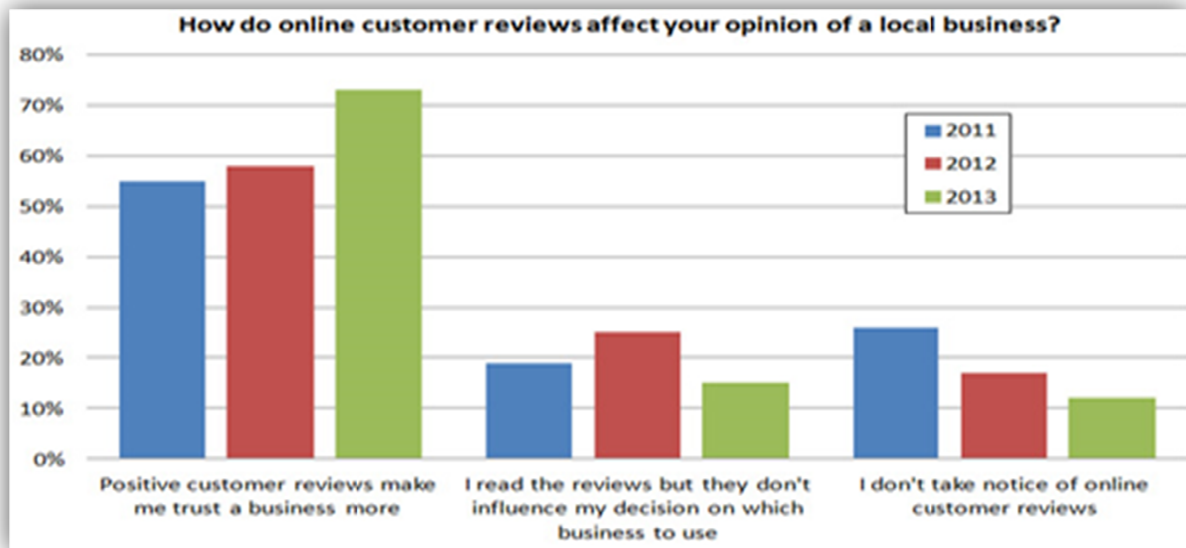
Source: (Anderson, 2013)

Figure 7: Review Sharing
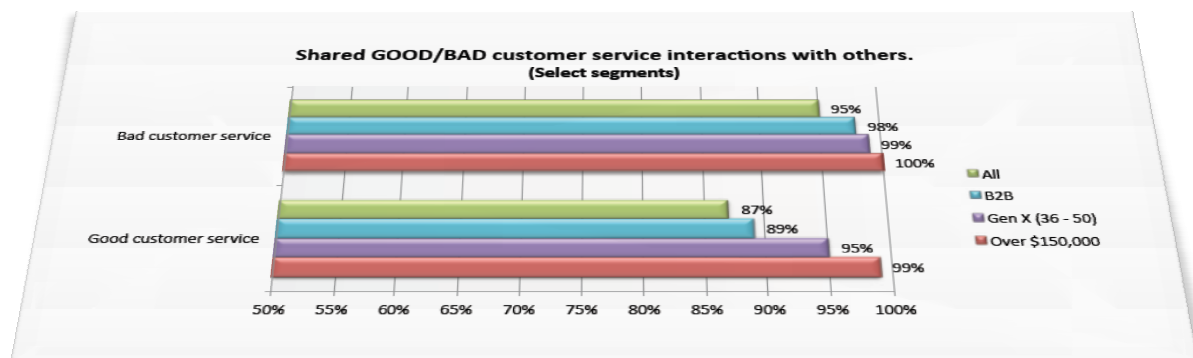
Source: (Gesenhues, 2013)

The following illustration shows the statistics on smartphone users in Indonesia. With the high numbers on smartphone users in Indonesia, the studies in USA may resemble to the conditions in Indonesia. Looking at the usage of smart phones for Indonesian people, 95% use to research products and it can be said that Indonesian customers also do a little bit of research before purchasing any products or services. eWOM communication, which is becoming a trend these days allows customer to communication intimately, is not only with customers, but most likely also with the business providers themselves.

Figure 8: Indonesia Smartphone Usage

Source: (Mukti, 2014)

In order to achieve all that, the role of human resources are extremely essential for organizations. Referring to the service-based industry, the role of human resources are even more vital to ensure the proper service delivery toward customer intimacy. Hence, suitable leadership style may be crucial to manage the pool of human resources, or otherwise known also as "human capital" (Ngah, et al., 2013). Hoteliers in Hong Kong took on a traditional leadership style, which is rooted in accepting and following regulations, but it does not endow with motivation and inspiration for employees (ehotelier, 2013). On the other hand, managers who apply a transformational leadership style, motivate and inspire their employees by concentrating on capability and encouraging self-development (ehotelier, 2013). In 2012, there was also news in the Salt Lake City Tribute about how supervisors in a hotel business used water boarding and humiliation to motivate employees (Hotel Manager, 2012). As a result, employees filed a lawsuit to the former supervisor. This is yet mirroring another leadership style, regardless. Hotel industry management applies different types of leadership style and major researchers consider transformational leadership style has a significant influence in achieving successful internal branding (Kashmiri, 2010; Kaewsurin, 2012). Tuuk (2012) explained that one of three major workplace trends in the coming decade is the importance of internal branding, and transformational leadership was an effective response to the trend. Transformational leadership is applied by organization executives to inspire the

employees, enhance commitment, transform employee's behavior and support an organization's or individual goals (Arachchi, 2012). Consequently, employees will perform their tasks properly in relation to the organization's goals.

I.1. RESEARCH PROBLEMS, QUESTIONS & OBJECTIVES

Concerning the above overview, this research attempts to investigate the relationships among chosen variables, as follows;

Table 1: Research Problems, Questions & Objectives

Research Problems	Research Questions	Research Objectives
1. Transformational leadership influences product innovation	1. How strong does transformational leadership influence product innovation	1. To identify the strength of influence between transformational leadership toward product innovation
2. Transformational leadership influences internal branding	2. How strong does transformational leadership influence internal branding	2. To identify the strength of influence between transformational leadership toward internal branding
3. Transformational leadership influences electronic words of mouth	3. How strong does transformational leadership influence electronic words of mouth	3. To identify the strength of influence between transformational leadership toward electronic words of mouth
4. Product innovation influences employee-based brand equity	4. How strong does product innovation influence employee-based brand equity	4. To identify the strength of influence between product innovation toward employee-based brand equity
5. Internal branding influences employee-based brand equity	5. How strong does internal branding influence employee-based brand equity	5. To identify the strength of influence between internal branding toward employee-based brand equity
6. Electronic words of mouth influences employee-based brand equity	6. How strong does electronic words of mouth influence employee-based brand equity	6. To identify the strength of influence between electronic words of mouth toward employee-based brand equity
7. Employee-based brand equity influences customer intimacy	7. How strong does employee-based brand equity influence customer intimacy	7. To identify the strength of influence between employee-based brand equity toward customer intimacy

I.2. SIGNIFICANCE AND LIMITATION OF STUDY

The limitations of study include the following;
a. The results of this study are expected to provide insights to the service-based industry in Indonesia. Particularly, hotels and restaurants may be benefited from the outcomes.
b. The variables are limited to transformational leadership, product innovation, internal branding, electronic words of mouth, employee-based brand equity, and customer

intimacy. The selections of variables are mainly based on the previous studies in those related topics.

II.   LITERATURE REVIEW
II.1.   TRANSFORMATIONAL LEADERSHIP

> *"I am more afraid of an army of 100 sheep led by a lion than an army of 100 lions led by a sheep" – Talleyrand* (Robbins & Judge, 2013)

The quote above represents how vital the role of a leader is in managing human resources and Burmann et al. (2009) claims that leadership is also an important aspect in the internal branding process. The most important resource in every hospitality and tourism organization is the employees themselves. The success or failure of the organization is directly influenced by how their tasks are managed and led (Hayes & Ninemeier, 2009). Some employees genuinely love their work, whereas others just as extremely dislike them. The majority of people are somewhere in between the spectrum (Ebert & Griffin, 2011). It is essential to identify employee behaviors, individual differences and motivation effectively before determining the most suitable leadership style applied by the managers (Robbins & Coulter, 2009) as described on the following table.

Table 2: Employees Behavior, Individual Differences and Motivation Theory

	Definition	Components	Examples
Employee's Behaviors	Pattern of actions by the members of an organization that directly or indirectly influences the organization's effectiveness.	• Performance Behaviors • Organizational Citizenship • Counterproductive Behaviors	• Absenteeism • Turnover • Helping other coworkers
Individual Differences	Individual characteristics which differ from single person to another.	• Personality • Attitude	• Big Five Personality Traits • Emotional Intelligence • Cognitive, Affective and Behavioral component
Motivation	Set of forces that cause people to behave in certain ways.	• Classical Theory • Early Behavioral Theory • Contemporary Motivation Theory	• Human Resources Model (Theory X and Theory Y) • Maslow's Hierarchy of Needs • Two-Factor Theory

Source: Ebert & Griffin (2011), Robbins & Coulter (2009)

After understanding the behavior, individual differences and motivation theories of employees, managers can define which leadership styles they need to adapt. Leadership is defined by Ebert and Griffin (2011) as *"the processes and behaviors used by someone, such as a manager, to motivate, inspire, and influence the behaviors of others"*. Whereas Robbins and Coulter (2009) state that leadership is *"a process of leading a group and influencing that group and influencing that group to achieve its goals"*, and leadership is what leaders do but a few managers are leaders. This was also mentioned earlier by Peter Drucker, John Kotter and Warren Bennis (Bhamani, 2012; Lunenberg, 2011). Peter Drucker is well-known for his

statement that *"management is doing the things right, leadership is doing the right things"*(Bhamani, 2012).

Table 3: Kotter's Management and Leadership Behavior

Managers	Leaders
Seek order and consistency	Seek change and movement
During planning and budgeting – establish agendas, set timetables, and allocate resources	Establish a direction – look at the big picture, clarify the situation, create a vision and determine strategies
With relation to staffing – provide structure, job placements and define rules and processes	With relation to people – align people, communicate goals, build teams, look for commitments
Focus on the control and the solving of issues by taking actions to correct issues, creating solutions and defining incentives to reward good work	Focus on motivation and inspiring people through empowerment, looking at how to satisfy unmet needs, and energizing people

Source: (Bhamani, 2012; Kotter, 2013; Lunenberg, 2011)

Table 4: Bennis' Management and Leadership Behavior

Managers	Leaders
Administer current ways of working	Innovate to find new ways of working
Copy what has been done before and is proven to be effective	Provide original solutions that can be utilized
Place emphasis on structure and systems in the organization	Place emphasis on the people in the organization
Deal with issues that are short term in nature	Tend to focus on long term problems that exist
Ask questions like "how" and "when"	Ask questions like "what" and "why"
Continually review the bottoms line	Continually review the horizon
Stick with the status quo and work within it	Prefer to challenge the status quo
Described as a "classic good soldier"	Described as "his or her own person"

Source: (Bhamani, 2012; Lunenberg, 2011)

Even though Drucker, Kotter and Bennis provided different characteristics between managers and leaders, Abraham Zaleknik and Gary Yukl showed disagreement to those statements (Lunenberg, 2011). Zaleknik and Yukl believe leadership and management require an exclusive set of functions, yet make a different valuable contribution to the organization and complement each other(Lunenberg, 2011). Ebert & Griffin (2011) also mentioned that the management process includes planning, organizing, leading and controlling, which means leading is part of managing company resources to achieve its goals. Previous researchers (Yukl, 2010; Ebert & Griffin, 2011) explained different perspective approaches to studying leadership. The first perspective is from the nature of the leaders and the second perspective is from the followers:

a. The nature of leadership can be categorized into 4 different approaches: the trait, behavioral, path-goal theory and situational approach:

- The earliest approach was the trait approach, which was considered that some traits and skills can predict whether a person will attain positions of leadership and be effective in these positions. Ebert and Griffin (2011) also state that trait approach focuses on identifying the fundamental attributes that distinguished leaders. The term "trait" indicates various individual attributes, for instance personality, temperament, needs, motives, and values whereas the term "skill" refers to the ability to do

something in an effective manner such as technical skills, interpersonal skills, and conceptual skills (Yukl, 2010).

- The second approach to leadership is behavioral approach. Ebert and Griffin (2011) state that behavioral approach to leadership focuses on determining what behaviors are applied by leaders. They explain that the basic leader behaviors are task-focused leader behavior and employee-focus leader behavior. Task-focused leader behavior will occur when a leader focuses on how tasks should be performed in order to achieve organization goals and performance standards. On the other hand, employee-focused leader behavior will occur when a leader focuses on the satisfaction, motivation, and well-being of the employees.

- The third approach to leadership is the path-goal theory. Yukl(2010) states that path-goal theory of leadership was developed to elaborate the behavior of a leader influences on satisfaction and performance of subordinates. According to the situation, leader behavior may have the same effect on subordinate satisfaction and performance, or both differently, or one but not the other. In other words, Robbins and Coulter (2009) defined path-goal as the leader's job to assist followers in attaining their goals and to provide direction needed to ensure that their goals are compatible with the goals of the group or organization.

- The last approach to leadership is the situational approach(Anantadjaya, 2013). According to Ebert and Griffin (2011), the situational approach assumes that appropriate leader behavior varies from one situation to another. They explain that the situational approach emphasizes the importance of contextual factors that influence leadership processes which are characteristics of the leader, characteristics of the employees or subordinates and the situation itself(Anantadjaya, 2013).

b. The second perspective of leadership can be observed through the followers. The two primary leadership approaches through the eyes of the followers are charismatic leadership and transformational leadership (Ebert & Griffin, 2011; Yukl, 2010):

- Charismatic leadership was first introduced by Max Weber (Yukl, 2010). According to Webber, charismatic leadership happens during a social crisis, when a leader emerges with a radical vision that offers a solution to the crisis and attracts followers who believe in the vision (Yukl, 2010). Ebert and Griffin (2011) defined a charismatic leadership as a type of influence based on a leader's personal charisma, a form of interpersonal attraction that inspires support and acceptance.

- The theories of transformational leadership were strongly influenced by James Burns (Yukl, 2010). According to Yukl(2010), Burns distinguished transforming leadership with transactional leadership. Transforming leadership attracts the moral values of subordinates in order to improve their consciousness about ethical issues and to activate their energy and resources to reform institutions. On the other hand, transactional leadership inspires subordinates by appealing to their self-interest and exchanging benefits.

Afterward, Bernard Bass imported Burn's transforming leadership concepts from the political and social movement arena into the context of organizations (Hickman, 2010). According to

Hickman (2010), Bass split Burn's link to social change from the theory of transforming leadership and adopted Burn's definition of transactional leadership to form what he characterized as transformational leadership.

Table 5: Differences between Transforming and Transformational Leadership Theories

	Transforming Leadership (Burns)	**Transformational Leadership (Bass)**
Purpose	To enhance the well-being of human existence	To motivate others to do more than they originally intended and often more than they thought possible
Context	Political and social	Organizational
Influence process	Two-way (leader ⟷ follower)	One-way (leader⟶follower)
Requirement for social change	Yes ("real, intended change")	No

Source: Hickman (2010)

Bass classified transformational and transactional leadership into two broad categories of behavior which were recognized primarily by factor analysis of a behavior description questionnaire called the Multifactor Leadership Questionnaire or MLQ (Yukl, 2010). After certain revisions, Bass categorized 3 different behavior classifications which are transformational, transactional and laissez-faire leadership.
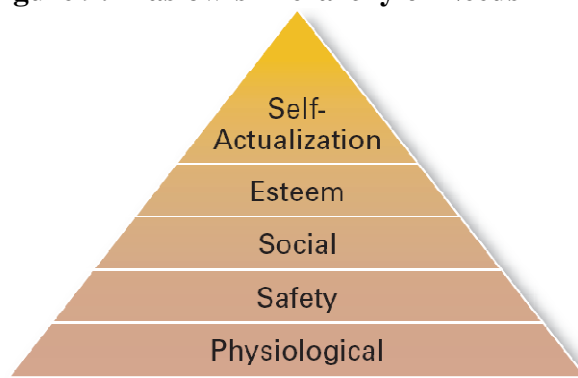
Table 6: Subscales of Transformational, Transactional and Non-Leadership Style

Subscale	Description of Leadership Style
Transformational Leadership	
Inspirational Motivation	Communication and representation of a vision; leader's optimism and enthusiasm.
Idealized Influence Attributed	Instilling pride in and respect for the leader; the follower identifies with the leader.
Idealized Influence Behavior	Representation of a trustworthy and energetic role model for the follower.
Intellectual Stimulation	Followers are encouraged to question established ways of solving problem.
Individualized Consideration	Understanding the needs and abilities of each follower; developing and empowering the individual follower.
Transactional Leadership	
Contingent Reward	Defining the exchanges between what is expected from the follower and what the follower will receive in return.
Active Management-by-Exception	To maintain current performance status, the focus is on detecting and correcting errors or problems.
Passive Management-by-Exception	Addressing problems only after they have become serious.
Non-Leadership	
Laissez-faire	Absence of leadership behavior

Source: Rohmann & Rowold (2009)

According to Hamilton (2009), there are 3 ways to attain transformational leadership, which are; (1) increasing one's level of consciousness about the necessity and value of designated results and ways of reaching these results, (2) obtaining one to transcend their self-interests for the sake of the team, organization, or larger polity, and (3) improving one's need level of Abraham Maslow's hierarchy of needs (Bass, 2013).The importance of raising one's level of Maslow's hierarchy of needs is that the leader needs to draw out the motivation of the follower and a way to do so is to satisfy the higher order need of self-actualization. Bass recommended that transformational leaders need to reach self-actualization and serve the interest of the organization by aligning the follower's self-interests in their own development with the interests of the group, organization, or society (Hamilton, 2009; Bass, 2013).

Figure 9: Maslow's Hierarchy of Needs

Source: Robbins & Coulter (2009)

Hence, according to Bass's theory, the measurement scales of transformational leadership are (Bass, 2013):

II.1.1. IDEALIZED INFLUENCE

Idealized influence is a behavior that stimulates strong follower emotions and identification with the leader, for instance establishing courage and dedication, and creating self-sacrifices for the followers (Yukl, 2010). Hamilton (2009) mentioned idealized influence has the same characteristics with charisma which Bass explained as a leader who provides vision and sense of mission, instills pride, and gains respect and trust. Additionally, Boerner described idealized influence as a leader who considers follower's needs over his or her own needs and behaves in a manner consistent to articulated ethics, principles and values (Hamilton, 2009). Along with Hamilton (2009), Andrea Lai (2011) described idealized influence which is also known as charismatic leadership as leaders who are competent of being role models to their followers and show genuine moral and ethical principles. She considered idealized influence can be divided into two types: attribute (what traits are assigned to a leader) and behavior (what one does).

II.1.2. INSPIRATIONAL MOTIVATION

Bass defines inspirational motivation as communicating an appealing vision and using symbols to focus subordinates effort and express important objectives in simple ways (Yukl, 2010; Hamilton, 2009; Bass, 2013). Furthermore, Hamilton (2009) added team spirit, which is encouraged through outward enthusiasm and optimism for the future of the institution. Andrea Lai (2011) mentioned characteristic of inspirational motivation

as a leader who is able to be a cheerleader, to speak on behalf of his or her subordinates and emphasize commitment to a shared goal.

II.1.3. INTELLECTUAL STIMULATION

In accordance with Yukl(2010), intellectual stimulation is behavior that improves subordinates understanding of problem and influences them to observe problems from a new perspective. Bass explained intellectual stimulation as a leader who endorses intelligence, rationality, and careful problem solving (Hamilton, 2009; Bass, 2013). Moreover, Hamilton (2009) and Lai (2011) further described that this characteristic lives in leaders who look for new ideas and creative solutions to organizational problems from their subordinates, and promote new methods for performing tasks.

II.1.4. INDIVIDUALIZED CONSIDERATION

Individualized Consideration is a characteristic that provides support, encouragement, and instruction to subordinates (Yukl, 2010). Bass stated that personal attention, treats each employee individually, train and advise them are important to obtain this characteristic (Hamilton, 2009; Bass, 2013). Furthermore, Hamilton (2009) explained to achieve this characteristic, effective communication is also important, such as listen attentively, paying special attention to the follower's achievements and growth requirements. Andrea Lai (2011) stated that two-way communication is remarkably acknowledged under this characteristic.

II.2. PRODUCT INNOVATION

Competition in the market has always been intense and it has become harder to control over the market (Barrows & Powers, 2009). In this competitive environment by using marketing programs, marketers must convince buyers by making the most attractive product in order to make buyers purchase a company's products rather than other company (Ebert & Griffin, 2011). Marketing is a process by which companies create value for customers and build strong customer relationships in order to gain value from customers in return (Kotler & Armstrong, 2013). It is a continuous, sequential process which plans, researches, implements, controls and evaluates activity designed to satisfy customers' needs and wants and also organization's objectives (Morrison, 2010). The American Marketing Association describe marketing as the activity, set of institutions and processes for creating, communicating, delivering and exchanging offerings that have a value for customers, clients, partners, and society (Ebert & Griffin, 2011). The main function of marketing is to bring both buyers and sellers together with the intention of exchanging products and services in mutual value (Kandampully, 2007).

The combination of an interrelated and interdependent variety of activities in marketing that is usually carried out to survive in the competitive environment is familiarly known as marketing mix deals with 4P: Product, Price, Place, Promotion (Kandampully, 2007; Barrows & Powers, 2009). The traditional 4Ps are applicable for manufacturing industry but the unique characteristics of service which are intangibility, inseparability, heterogeneity and perish ability requires more than the 4Ps (Kandampully, 2007). An extended marketing mix for service, usually called 7Ps, consists of: Product, Price, Place, Promotion, Process, Physical Environment, and People (Wirtz, Chew, & Lovelock, 2012).

Marketing begins with goods, service or an idea designed to fill customer's needs or wants

more simply called product (Ebert & Griffin, 2011). Differentiating products in the market place is an effort to attract which is usually done rather than offering low prices. The experience which is different in a favorable way is the goal of creating individual customer satisfaction. Conceiving and developing new product are a constant challenge that should be done to keep up with emerging markets and competitors (Ebert & Griffin, 2011).Innovation has been argued as the engine of growth and is considered to be a critical component of business productivity and competitive survival (Trott, 2008; Omachonu & Einspruch, 2010). *"... not to innovate is to die"* wrote Christopher Freeman in a study of economics of innovation (Trott, 2008). John Hayes, CEO of American Express also said that *"the world will pass you by if you are not constantly innovating"*(Wirtz, Chew, & Lovelock, 2012).

Innovation is the creation of a viable new offering, the implementation of a new or significantly improved product (goods/services) or process, a new marketing method or a new organizational method in business practices, workplace organization or external relations (Omachonu & Einspruch, 2010; Keeley, Pikkel, Quinn, & Walters, 2013). Rubenstein defined innovation as the process whereby new and improved products, processes, materials, and services are developed and transferred to a plant and/or market where they are appropriate (White & Bruton, 2007). Innovation according to Schumpeter is *"any doing things differently in the realm of economic life"*, so essentially innovation is about change (Enzing, Pascucci, Janszen, & Omta, 2011). Innovation has to be new to the market or industry (Keeley, Pikkel, Quinn, & Walters, 2013). To do so, innovation requires identifying the problems that matter and moving through the systematically to deliver elegant solutions (Keeley, Pikkel, Quinn, & Walters, 2013).

There are different types of innovations such as newness of products or process, newness of usage or a combination of both and the level of difficulty in managing each type of innovation will vary (White & Bruton, 2007). New products are the lifeblood of a company. As the old products mature and fade away, a new product should be developed to take the place (Kotler & Armstrong, 2013). New product adds excitement for customers, particularly advantageous to target new market segments. New product means a genuine innovation that has never been served before commercially or can be referred as new to the world (Barrows & Powers, 2009).

According to Omachu & Einspruch (2010) there are 4 types of innovation:
a. Product innovation: introduction of a good or service that is new or significantly improved with respect to its characteristics or intended uses. This includes significant improvements in technical specifications, components and materials, incorporated software, user friendliness or other functional characteristics.

b. Process innovation: implementation of a new or significantly improved production or delivery method. This includes significant changes in techniques, equipment and/or software. The customer does not usually pay directly for process, but the process is required to deliver a product or service and to manage the relationship with the various stakeholders.

c. Marketing innovation: implementation of a new marketing method involving significant changes in product design or packaging, product placement, product promotion or pricing.

d. Organizational innovation: implementation of a new organizational method in the firm's business practices, workplace organization or external relations

Figure 10: Innovation Categories
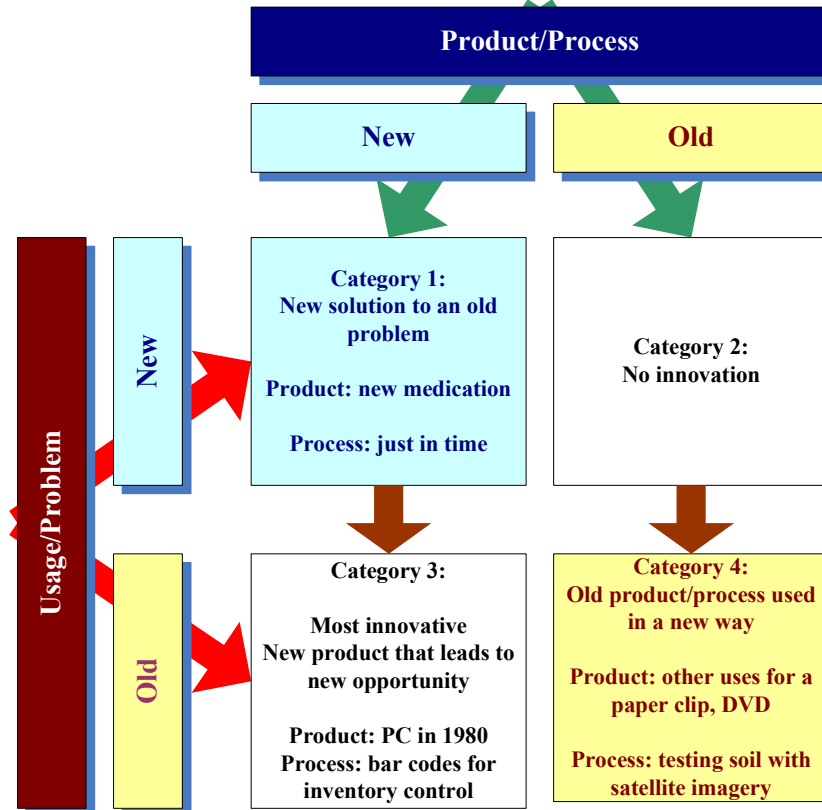
Source: (White & Bruton, 2007)

Besides all the types of innovation that have been mentioned above, there is also service innovation. Service innovation consist of core products that meet customer primary needs and a variety of supplementary service elements to help customers to use the core products more effectively (Wirtz, Chew, & Lovelock, 2012).Lovelock and Booz, Allen & Hamilton have developed a typology for differencing levels of product innovation and service innovation. Booz, Allen & Hamilton (Trott, 2008)develop product innovation while Lovelock (Trott, 2008)develops service innovation. In product innovation, those 2 innovations are sometimes mistaken due to similarity in several ways but also actually they are quite different. The following table summarizes the core differences between those innovations in detail.

Table 7: Typologies for Innovations

Booz, Allen & Hamilton (Product innovation)	Lovelock (Service innovation)
New product lines: new products which represent major new challenges to the supplier	**Major innovation**: new services for markets as yet unidentified; innovation usually driven by information and computer-based technologies
Additions to existing product lines: new products that supplement a company's established product lines so rounding out the product mix	**Start-up business**: new service in a market that is already served by existing services

Booz, Allen & Hamilton (Product innovation)	Lovelock (Service innovation)
Improvements and revisions to existing products: new products that provide improved performance and so replace existing products	**New service for the market presently served**: new service offerings to existing customers of an organization (although the services may be available from other companies)
Repositioning: existing products that are targeted to new markets or market segments	**Service line extensions**: augmentations of the existing service line such as adding new menu items, new routes and new courses
Cost reductions: new products that provide similar performance at a lower cost of supply	**Service improvements**: changes in features of services that are currently being offered
	Style changes: the most common of all 'new services'; modest forms of visible changes that have an impact on customer perceptions, emotions and attitudes with style change that do not change the service fundamentally only its appearance

Source:(Trott, 2008)

Successful innovation requires an integrated design process, i.e. integration in the design of the enterprise, the design of the product, as well as the design and implementation of new technologies (Preez & Louw, 2008). Information sharing, knowledge management, empowerment, and structures that support organizational learning and application are also keys to effective innovation (Srivastava, 2011). Product innovation is known as a complex and risky process that requires considerable capital and human resources inputs so in order to remain competitive in today's dynamic market-driven environment the process should be developed quickly (Requena, Sellens, & Zarco, 2007).Innovation, especially product innovation, is known as a key element in the process of value creation to improve their competitive situation, so that strategy guarantees the increase of customer's satisfaction and loyalty. According to Erdil, Erdil and Keskin (2004) there are 2 dimensions that trigger product innovation, which are; (1) technological drive/challenges, and (2) focus on short time to market.

II.2.1 TECHNOLOGICAL DRIVE/CHALLENGES

The way companies grow and innovate have been changed in the past decades and is still in a continual phase. Customer is the resource for innovation but, on the other hand, also the attendant of problems which can be solved through a product platform, especially the core technology innovation (Li M. H., 2009). Innovation process allows technology to be applied in a marketable or otherwise valuable way (White & Bruton, 2007). The impact of technology has gone beyond its role starting from a tool to improve efficiency and effectiveness to the substitute of man power (Kandampully, 2007). Innovation driven by technology seem to create an image of high-technology devices and applications derived from the traditional sciences and related disciplines (computers, cell phones, software, the internet, satellites) (Srivastava, 2011).

The advent of the technology has made rapid innovation changed market dynamics which less dependent upon first to enter the market but more predicated by the nature of the innovation (Reiner & McKinley, 2012). Social media an example of the usage of technology which is Internet has used to improve internal operation and

collaboration in a new ways with customers, business partners and suppliers (Piller, Vossen, & Ihl, 2012). This whole new phenomenon which allows a faster way of communication without requiring any face to face conversation made it easier to communicate especially with customers and it will be more time saving for the company. Social media has the capability of changing market structures and relations between customer-firm and/or customer-customer who can easily happened due to enhanced information access (Piller, Vossen, & Ihl, 2012)

Successful innovation is created by understanding the customers' needs and evolving changes in the market. Superior technology may contribute to the success in the market but it does not always guarantee long-term market success. In order to achieve long term success in the market, innovation must be dynamic, continuous, and superior to its competition (Reiner & McKinley, 2012).

II.2.2 FOCUS ON SHORT TIME TO MARKET

The urge to keep up with competitors in the wild competitive market sometimes require sooner rather than realistic sometimes made innovation only focus on short term market. It might be because of lack of time, lack of resources or staff, lack of systematic process, fear and lack of confidence about innovation since it is believed to be risky (Huseyin & Ferit, 2007). By focusing on short term market there is an opportunity to offer valuables features which may lead to more established technologies and chances to dominate market (Chen & Taylor, 2009).

The short term market usually focuses on better performance (Pascucci, 2011). As customers keeps changing, focusing on short term market seems natural in order to make customers happy and keep a maximum level of satisfaction in the short time to stay competitive in the harsh competition. Even though it is important to stay competitive in the short time, it doesn't mean neglecting new platforms generating to stay competitive in long time.

Therefore, considering the needs toward product innovation, which emphasizes on both goods (tangible products) and services (intangible products), and with regards to the technological drive/challenges, and the need to time appropriately to market, the function of transformational leadership for organizations are vital. Hence, it can be hypothesized as follows;

H_1 : Transformational leadership influences product innovation

II.3. INTERNAL BRANDING

Branding is a marketing activity. To become a successful marketer, he/she needs to understand first what marketing is, how it operates, who performs it and what is marketed. According to the American Marketing Association, marketing is *"the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large"* (Kotler & Keller, 2012). However, Kotler and Keller (2012) defined marketing in the shortest way, *"meeting needs profitability"*, as marketing identifies and satisfies human and social needs. Thus, they explained further that marketing management is the art and science of choosing target markets and getting, keeping, and growing customers through creating, delivering, and communicating superior customer value.

In general, managers consider marketing as *"the art of selling products"*. However, selling alone is not the most important part of marketing (Kotler & Keller, 2012). A primary management theorist, Peter Drucker explains that marketing should affect customers who are ready to buy and marketers create the product and service available for them (Kotler & Keller, 2012). Theodore Levitt distinguished this selling and marketing concept: *"selling concentrates on the needs of the seller, whereas marketing on the needs of the buyer"* (Kotler & Keller, 2012).

Internal branding, or otherwise referred to as "internal marketing" is part of a holistic marketing concept. Internal marketing undertakes hiring, training and motivating employees to serve customers properly and it can be as vital or even more than directly marketing products or services outside the company (Kotler & Keller, Marketing Management, 2012).

According to Kotler and Keller (2012), there are 10 types of products that marketers market, such as; goods, services, events, experiences, people, places, properties, organizations, information, and ideas. The hotel industry basically sells the same services. It is a challenge for marketers to distinguish their services from other competitors. A product is anything a company or organization can offer to a market for attention, acquisition, use, or consumption that might satisfy a need or want, for instance physical goods, service, retail outlet, a person, organizations, places (Keller, 2013). He explained 5 levels of the meaning for a product;(1) the core benefit level is the fundamental need or want that consumers satisfy by consuming the product or service, (2) the generic product level[1] is a basic version of the product containing only those attributes or characteristics absolutely necessary for its functioning but with no distinguishing features, (3) the expected product level is a set of attributes or characteristics that buyers normally expect and agree to when they purchase a product, (4) the augmented product level includes additional product attributes, benefits, or related services that distinguish the product from competitors, and (5) the potential product level includes all the augmentations and transformations that a product might ultimately undergo in the future.

Figure 11: Holistic Marketing Dimensions
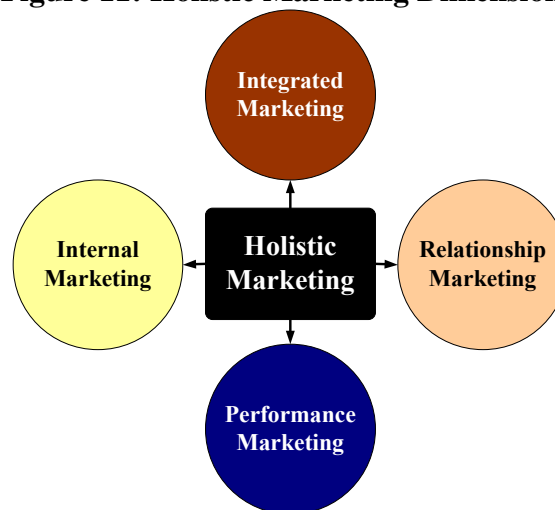
Source: Kotler & Keller (2012)

[1]This is basically a stripped-down, no frills version of the product that adequately performs the product function.

One strategy to differentiate services is to establish a brand. Kevin Lane Keller (2013) stated that services are less intangible than product and more likely diverge in quality. Hence, branding can be exceptionally necessary to solve these problems. In contrast with a product, a brand is an extra value to a product because a brand can have different dimensions from products designed to meet the same need (Keller, 2013). Keller also explained that the differences may be rational and tangible (associated with product performance of the brand) or more emotional, symbolic and intangible (associated with what the brand represents). According to the American Marketing Association, a brand is *"a name, term, sign, symbol, or design or a combination of them, intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competition"* (Keller, 2013).The role of brands for customers and manufacturers can be summarized below (Keller, 2013);

Table 8: Role Plays of Brands

Customers	1. Identification of source of product. 2. Assignment of responsibility to product maker. 3. Risk reducer. 4. Search cost reducer. 5. Promise, bond, or pact with maker of product. 6. Symbolic device. 7. Signal of quality
Manufacturers	1. Means of identification to simplify handling or tracing. 2. Means of legally protecting unique features. 3. Signal of quality level to satisfied customers. 4. Means of endowing products with unique associations. 5. Source of competitive advantage. 6. Source of financial returns.

Source: Keller (2013)

Along with Keller, King and Grace (2009) agreed that branding plays a particularly significant role in the services arena. It is required to build trust and confidence in consumers of a service due to the invisible nature of the purchase (intangibility) as well as the variability of the service encounter. However, strong service brands are only attained when the communication of brand promise is consistent to the brand experience delivered. It constitutes the emerging of internal branding as an integral part of an organization's overall brand management strategy.

Through the internalization of the brand, employees are endowed to fulfill the brand promises. This is for the reason that the desired brand values, practices, and behaviors are clarified and defined, as well as organization provides a clear direction for all organizational efforts. Without the internalization of the brand, employee's capability to transfer the suitable customer brand experience is unlikely. Any external brand-building program is likely to be unsuccessful in these kinds of situations (King & Grace, 2009). Simmons (2009) also explained the benefits of aligning external branding and internal branding as on the following table.

Table 9: Benefits of Aligning External and Internal Corporate Brands

External Brand (customers)	Benefits	Internal Brand (employees)
High quality goods and services	Functional	Challenging, stimulating, and fulfilling

External Brand (customers)	Benefits	Internal Brand (employees)
		work environment
Excellent value for money	Economic	Competitive compensation and benefits
Premium products, preferred supplier	Psychological	Employer of choice, engagement with the organization
Affinity with organization values and belief its societal contribution	Ethical	Affinity with organization values from perceived congruence of its ethical
A compelling product value proposition to current and prospective customers	Cumulative	A compelling employment value proposition to current and prospective employees

Source: Simmons (2009)

The importance of internal branding operated in the service industries is increasing (Kaewsurin, 2012), even though Burmann and König (2011) claim that it is still a new research field from the internal branding literature in this specific area. Kaewsurin (2012) mentioned the terms internal branding and internal marketing are often applied in marketing literature and highlight the differences between internal branding and internal marketing as described in the following table.

Table 10: Differences Between Internal Branding and Internal Marketing

Internal Branding	Internal Marketing
Resource-based management	Customer-based management
Communicates brand values to employees, in order for them to understand those values which lead to appropriate actions and behaviors.	Communicates the customer brand promise and the attitudes and behavior expected from employees to deliver on this promise by ensuring that they understand their role in delivering a customer experience.
Reinforces a common value-based culture, typically attached to some form of corporate mission and vision.	Trains and effectively motivates customer-contact employees in order to provide customer satisfaction.
The companies with consistent, distinctive and deeply held values tended to outperform those companies with a less clear and articulated ethos.	Focuses staff attention on the internal activities which need to be changed in order to enhance marketplace performance.
Inside-out approach	Outside-in approach

Note: Internal branding is seen as consequences of increasing interest in internal marketing.

Source: Kaewsurin (2012)

The concept of internal branding has been defined in several ways now as a result of the growing literature on internal branding (Punjaisri & Wilson, 2011; Kaewsurin, 2012). In addition, a universal definition of the internal branding concept has not yet been made (Punjaisri & Wilson, 2011). In accordance with Punjaisri and Wilson (2011), internal branding is about *"ensuring that the brand promise is transformed by employees into reality, reflecting the espoused brand values that set customers' expectations"*. Kaewsurin (2012) defined internal branding as *"a way to enable employees to understand the values inherent in the brand and organization in order for them to deliver the brand promises to the customers in their day-to-day operations"*.

Marketers in organizations do not only focus on customer branding but, along with human

resources management, they constantly focus on internal branding. Since, according to Keller (2013), external branding creates mental structures and assists consumers manage their knowledge about products and services in a way that clarifies their decision making, and in the process value to the firm, on the other side, most researchers (Almgren, Ek, & Goransson, 2012; O'Callaghan, 2009; Shaari, 2011) believe that internal branding can create employee commitment towards the company (Gull & Ashraf, 2012; Haley, 2012; Kimpakorn & Tocquer, 2009).

Numerous previous studies emphasize the importance of observing internal branding as a cross-functional process involving the marketing and human resources (HR) department (Punjaisri, Wilson, & Evanschitzky, 2009a; Punjaisri, Evanschitzky, & Wilson, 2009b; Burmann, Zeplin, & Riley, 2009; Almgren, Ek, & Goransson, 2012). The collaboration between HR and the marketing department should exist to strengthen the communication of brand values to employees (Punjaisri, Evanschitzky, & Wilson, 2009b; Almgren, Ek, & Goransson, 2012).According to Punjaisri(2009a), constant reminders and training are essential to endorse the effectiveness of internal communication, training programs and on-brand behavior of employees. Punjaisri and Wilson (2011) stated that the longer employees stay with a brand, the more critical it is to apply internal branding to endorse their commitment to the brand. Otherwise, employees might turn out to be tired with the brand and start doubting its relevance for them.

There are 4 different ways to perform internal branding(Almgren, Ek, & Goransson, 2012): internal communication, brand oriented training, brand oriented recruitment and brand oriented leadership. Kaewsurin (2012) stated that there are 2 perspectives of internal branding; (1) a marketing and communications based perspective, which is a formal socialization process through internal brand communication, training and development, brand books and manuals, (2) norms and values communications based perspective, which is an informal socialization process through fostering brand identification through culture-embedding mechanisms, storytelling and events.

Figure 12: Tools of Internal Branding
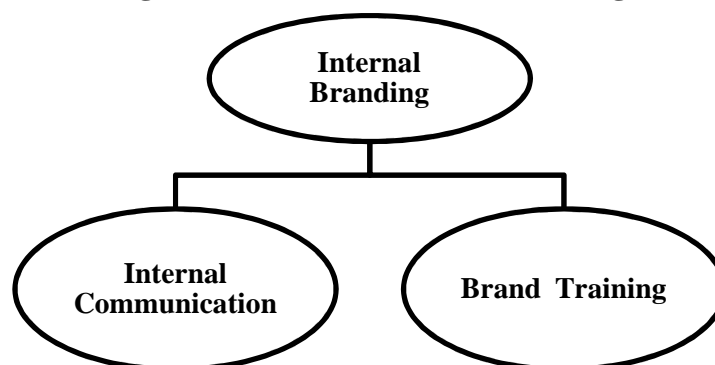
Source: Kaewsurin (2012)

II.3.1.INTERNAL COMMUNICATION

Internal communication tools are applied to internal branding in many organizations, particularly in the hotel industry (Punjaisri & Wilson, 2011). An organization can use internal communication tools, for instance internal publications, e-mail messages, memos, group meetings, daily briefings, direct contract, newsletters, brand books and intranet (Punjaisri & Wilson, 2011; Kaewsurin, 2012) to influence its brand targets,

who are not only customers but employees as well (Kaewsurin, 2012).

According to King (2010), information transfer from managers to employees has to involve more brand related information than giving information on the technical details of the job only, in order to create employees committed to the brand. Afterward, this will assist the organization to persistent success and build a strong brand (Almgren, Ek, & Goransson, 2012). Along with Kaewsurin (2012), Algrem et al. (2012) agree that internal communication can be applied as a tool in transforming brand values and on-brand behavior into the daily activities of employees.

Furthermore, Burmann and Zeplin state that short and precise statements in the internal communication of brand values are essential in order for employees to remember them (Almgren, Ek, & Goransson, 2012). Punjaisri et al. (2009a) and King (2010) also indicate that internal communication to employees should present a clear description of what role the employees play in the delivery of the brand promise, as this will improve their motivation and commitment. Moreover, the findings of Punjaisri et al (2009a) also indicate that internal communication has a stronger influence on commitment and on-brand behavior of customer contact employees than training programs have (Almgren, Ek, & Goransson, 2012).

II.3.2. BRAND TRAINING

As Algrem et al. (2012) state that communicating the brand values to employees by simply telling them about brand values is not enough to create understanding and commitment, therefore brand training is also important in delivering brand values to employees. According to Kaewsurin (2012), training is *"a planned and systematic effort to modify or develop knowledge/skill/attitudes through learning experience, to achieve effective performance in an activity or range of activities"*. Additionally, she stated that brand training is a good opportunity to build understanding about brand values and to align employees to its principles and brand training should focus on creating such programs as are defined by brand values. Training activities make employees appreciate the brand value and know how to transfer the brand to customers (Punjaisri & Wilson, 2011).

As discussed before about the importance of aligning marketing and human resources (HR) department in internal branding process, Algrem et al. (2012) believe HR department plays a crucial role in the internal branding process regarding recruitment and training of employees in particular. It is essential the HR department is also aware of and understands the brand values in order for them to deliver the values to employees. King and Grace also considered using training programs as a tool for internal branding is the most effective tool for the employees (Almgren, Ek, & Goransson, 2012).

Punjaisri et al. (2009b) additionally suggested that training programs can enhance general skills to carry out daily work as well as brand-specific skills in order to improve employees' capability to deliver the brand promise. Moreover, training also increases brand identification and commitment (Punjaisri, Evanschitzky, & Wilson, 2009b). However, Algrem et al. (2012) added that employees must be trained also to express behaviors that can project the brand, otherwise the behavior will be not

specific or general.

Therefore, successful brand building internally to all members of the organization, which means to not only introducing the initiatives, but also maintaining and constantly improving the internal communication and brand training, the role of leader is crucial. The better quality of the leaders, the better the internal communication and brand training. This pushes up the quality of internal branding. Hence, it can be hypothesized as follows;

H_2 : Transformational leadership influences internal branding

II.4. ELECTRONIC WORD OF MOUTH

Valuable customers are the customers that through their word of mouth can bring the most favorable customers; despite how much they buy for themselves (Rahayu, 2011).WOM communication is *"oral, person-to-person communication between a receiver and a communicator whom the receiver perceives as non-commercial, regarding a brand, a product, a service or a provider"* (Park, Wang, Yao, & Kang, 2011). Jalilvand, Esfahani, & Samiei (2011) define word of mouth is a process for consumers to share information and opinions about a product or service to others. It consists of any information about a target object transferred from one person to another, either face to face or via some other communication medium and believed to be more effective than traditional marketing tools. WOM communication plays an important role in shaping the target-customers' attitudes and behaviors towards products and firms because the WOM is regarded as providing more reliable, trustworthy advice, and personal contacts are generally able to offer social support and encouragement (Roy, Butaney, & Bhutaney, 2009). WOM communication plays an important role in shaping the target-customers' attitudes and behaviors towards products and firms because the WOM is regarded as providing more reliable, trustworthy advice and personal contacts are generally able to offer social support and encouragement (Roy, Butaney, & Bhutaney, 2009).

The internet has emerged as a powerful medium for the transmission of WOM, which is a significant form of online interpersonal communication and serves as a critical tool for facilitating the diffusion of information throughout online communities (Lee & Kim, 2010). The arrival and expansion of the Internet has extended options for product information gathering by including other comments posted on the internet and has provided opportunities to offer consumption-related advices by engaging in electronic word-of-mouth (eWOM) (Park, Wang, Yao, & Kang, 2011).

eWOM is a personal experience and opinion transmitted through written words and it claimed to be more influential than the traditional WOM because of its unique features, such as; convenience, speed, one-to-many, many-to-many and no face-to-face interaction (Roy, Butaney, & Bhutaney, 2009). Andreassen and Streukens (2009) define eWOM, as *"any positive or negative statement made by potential, actual, or former customers about a product or company, which is made available to a multitude of people and institutions via the internet"*.

eWOM communication can take place anywhere. The classifications on eWOM are; (1) market level analysis: focus in market level parameters used objective panel data to examine the impact to product sales, and (2) individual level analysis: process of personal influence which there is a communication between communicator (sender) and receiver can change the

receiver's attitude.

There are several critical antecedents of eWOM effects. Those effects include; (1) the direction of eWOM messages affects the customer's response, which means that customers are more likely to rely on eWOM messages if the direction of the messages is all the same, and (2) research widely agrees that consumer psychological factor such as a regulatory focus influences consumer decision making. There are many risks to search information which goes through an internet. Therefore, people have sufficient information and cognitive capacity to arrive at fully objective measures of risk and then make decisions to maximize utility (Lee & Kim, 2010). According to Filieri and McLeay (2013),the parameters for eWOM are; (1) quality of information, (2) information usefulness, and (3) trustworthiness.

II.4.1.QUALITY OF INFORMATION

Researchers have tried to measure the informative level of eWOM but it still cannot identify its long-term effect because its contents varied with time (Lee, Lee, & Tan, 2013). eWOM has become an important influence on product evaluation since it is more believable rather than any marketers or advertisers (Lee & Kim, 2010). Information quality is an important factor when searching for information and accepting that information (Pan, 2012). Prior researchers argued negative information tend to be weighed more heavily than positive information because it helps consumers to categorize the product as low quality since negative attributes are held mostly by low-quality products but, on the other hand, positive (versus negative or neutral) product information is perceived as more ambiguous since any products can have some positive attributes. It is difficult to categorize the product as high in quality as a result of reading the positive product information (Lee & Kim, 2010).

High quality review consist information that is specific, objective and logical (Lim, Chung, & Pedersen, 2012). High quality information can be classified as credible, understandable, logical and persuasive with sufficient reasons based on specific facts regarding the product and it has a strong positive effect (Ozturkcan & Gursoy, 2014). Sometimes popularity is interpreted as a signal of high quality since the volume of opinion can be an indicator as product performance (López & Sicilia, 2014). The length of information message can affect quality as well (Ozturkcan & Gursoy, 2014). It is not easy to distinguish review content quality from system quality (Lee, Lee, & Tan, 2013). The quality of the content is an important factor which may affect final decision (Ozturkcan & Gursoy, 2014).

Quality here refers to the persuasive strength embedded in the informational message (Cheung & Thadani, 2010). It also refers to the features that include paths of communication, type, longevity and timeliness (Xiaorong, Bin, Qinghong, Liuli, & Yu, 2011). Any signal that ensures the quality of others' opinions may contribute to the impact of E-WOM (López & Sicilia, 2014). Overall online feedback can reduce information asymmetry and add value if it is the information with good quality (Pasternak, Veloutsou, & Thomas, 2013).

High quality information which people tend to accept definitely will affect favorable attitudes towards a product (Pan, 2012). Commitment is difficult to build and hard to separate from e-commerce quality and with the issue of security toward quality, it is

crucial to minimize the security issue in commitment development (Liu, 2013).

II.4.2.INFORMATION USEFULNESS

Susceptibility to interpersonal influence is a consumer trait that varies across individuals. Customer susceptibility to interpersonal influence is defined as the tendency to learn about products and services by seeking information from others. Customers with highly susceptibility to interpersonal influence are more likely to be affected by eWOM (Park, Wang, Yao, & Kang, 2011). eWOM has shown a significant influence because of its advantages in regency, abundance and objectivity (Lee, Lee, & Tan, 2013).

Usefulness will be associated with information utility. Utilitarian information is expected to optimize search degree and information usefulness (Pöyry, 2011). Information usefulness is an individual's perception regarding the information provided, if others think that comments or reviews posted is useful therefore a greater intention to adopt the information will be possible (Cheung R. , 2014). The usefulness of eWOM is an important thing to pay attention to which will later affect willingness to trust eWOM (Fan, Miao, Fang, & Lin, 2013). Timeliness, comprehensive information that provided will impact on the higher usefulness of information (Cheung R. , 2014).

The rate of usefulness of contributions can be examined through posting history (Heikkinen, 2012). It also can be seen from product understanding (Yoon, 2008). Usefulness of information depends on the level of knowledge and expertise from the source (Kordestani, Limayem, Sangari, Blomgren, & Afsharipour, 2014). The usefulness level of information can decrease if there are an information overload where in this case will make the readers hard to process all of the information and confused about the viewpoint of information (Luo, Lan, Wang, & Ma, 2013).

II.4.3.TRUSTWORTHINESS

Trust is a set of specific beliefs dealing primarily with the benevolence (belief that the trustee will not act opportunistically even given the opportunity), competence and integrity of another party. Trust is important to help overcome perception of uncertainty and risk and engage *"trust related behavior"*. Trust refers to *''an individual belief that others will behave based on an individual's expectation"* and *''an expectation that others one chooses to trust will not behave opportunistically by taking advantage of the situation"* (Kamtarin, 2012). Trust can be defined as *"willingness to accept a little mistake/ error/ less careful, based on positive expectations as the basis of the values and behaviors that had already formed of a product/service"*(Rahayu, 2011). WOM is typically independent of marketers' selling intents and is thus considered to be more trustworthy and credible and important in persuading customers to try products (Lee & Kim, 2010). eWOM credibility is defined as the extent to which one perceives the recommendation as believable, true, or factual. Experience credibility refers to how much a person believes someone or something based on first-hand experience and is the most complex and believable. Credibility of information from social network will make customer more confidence to adopt eWOM (Park, Wang, Yao, & Kang, 2011).

Source credibility is a key factor in assessing online information because it is clearly related to trustworthiness (Fan, Miao, Fang, & Lin, 2013). Online sources credibility depends on receiver's perception of sender's trustworthiness and expertise (Pursiainen, 2010). Trustworthiness on eWOM will affect information receivers' perceived risk (Wu, 2013). Trustworthiness can be described as providing truthful information (Cheung & Thadani, 2010). Credible and trustworthy source of eWOM combine with the receiver involvement which is more compare to in advertising will contributed to the power of online site (Gungor & Cadirci, 2013). Besides appropriate and useful contents, online technical trustworthiness are also important here which include security of personal information such as name, address or credit card number (Mazhar, Jam, & Anwar, 2012).

Therefore, to ensure the quality of information, information usefulness, and trustworthiness in organizations, the role of leaders is undoubtedly vital. It is expected that the transformational leadership can drive the initiatives on electronic words of mouth. Hence, it can be hypothesized as follows;

H_3 : Transformational leadership influences electronic words of mouth

II.5. EMPLOYEE BASED BRAND EQUITY

The famous author and brand equity researcher, Kevin Lane Keller (2013), in his book *"Strategic Brand Management: Building and Measuring Brand Equity"*, defined strategic brand management as the design and implementation of marketing programs and activities to build, measure and manage brand equity. Keller explained specifically 4 steps in strategic brand management processing; (1) identifying and developing brand plans, (2) designing and implementing brand marketing programs, (3) measuring and interpreting brand performance, and (4) growing and sustaining brand equity.

Even though there is no common view point has conducted about how to measure brand equity, Keller (2013) introduced a common denominator or integrated conceptual framework, based on the concept of brand equity, as a tool to interpret the potential effects of various brand strategies. Keller (2013) believes branding is all about endowing products and services with the power of brand equity and brand equity consists of the marketing effects uniquely attributable to a brand. Additionally, brand equity also explains different outcomes from the marketing of a branded product or service compared to non-branded products and services. According to Keller (2013), basically, the brand equity concept emphasizes how important the brand is in marketing strategies and he indicated the following basic principles of branding and brand equity; (1) differences in outcomes arise from the "added value" endowed to a product as a result of past marketing activity for the brand, (2) this value can be created for a brand in many different ways, and (3) brand equity provides common denominator for interpreting marketing strategies and assessing the value of a brand, and (4) there are many different ways in which the value of a brand can be manifested or exploited to benefit the firm (in terms of greater proceeds or lower costs or both).

Along with Keller (2013), King and Grace (2009) agree that brand management has emerged as a significant priority for management and academics, due to growing realization that brands are one of the most valuable intangible assets in an organization. They consider successful brands are classified based on their ability to reveal high levels of brand equity. Furthermore, various definitions or views are identified with respect to brand equity (King &

Grace, 2010). However, King and Grace (2010) mentioned there are two general perspectives of brand equity which are financial and customer based.

Financial perspective is defined as the *"total value of a brand which is a separable asset – when it is sold or included in a balance sheet"* (King & Grace, 2010). They indicate that another term for this perspective is financial-based brand equity and the measurement of this brand equity is articulated solely in monetary terms. On the other hand, consumer-based brand equity (CBBE) represents the consumer perspective of brand equity and Keller (2013) defined it as *"the differential effect that brand knowledge has on consumer response to the marketing of that brand"*.

Regarding CBBE, there are two famous frameworks about it. The first framework was developed by David Aaker. He defined brand equity as *"a set of assets and liabilities linked to a brand, its name and symbol that add to or subtract from the value provided by a product or service to a firm and/or to that firms customers"* (Chowudhury, 2012). He also provides 5 dimensions of brand equity, such as; brand awareness, brand associations, perceived quality, brand loyalty and other brand-related assets. Various researchers have applied Aaker's brand equity concepts into 4 dimensions only, which are; brand awareness, brand associations, perceived quality, and brand loyalty to measure customer-based brand equity (Chowudhury, 2012; Lee & Y.L, 2011; Severi & Ling, 2013).

Table 11: The Measurement of Customer-Based Brand Equity

Brand Equity Dimensions	Definitions
Brand awareness	The ability of a potential buyer to recognize or recall that a brand is a member of a certain product category.
Brand associations	Anything that connects the consumer to the brand including user imagery, product attribute, use situation, organizational associations, brand personality, and symbols.
Perceived quality	The consumer's judgment about a product's overall excellence or superiority.
Brand loyalty	A deeply held commitment to re-buy or re-patronize a preferred product/service consistently in the future, causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior.

Source: Chowudhury (2012)

The second framework of CBBE was developed by Kevin Lane Keller. The rationale behind the framework is to recognize the importance of the customer in the creation and management of brand equity (Keller, 2013). As mentioned previously, he defined CBBE as *"the differential effect that consumers' brand knowledge has on their response to the marketing of that brand"*. Further, he explained a brand has positive CBBE if customers react more favorably to a product and the way it is marketed when the brand is identified, than when the product brings a fictitious name or no name. The fundamental premise of CBBE is that the power of a brand places in the minds and hearts of customers, and what customers have experienced, learned, and felt about the brand time after time. The framework of Keller's CBBE is described as below.

Figure 13: Customer-Based Brand Equity Framework
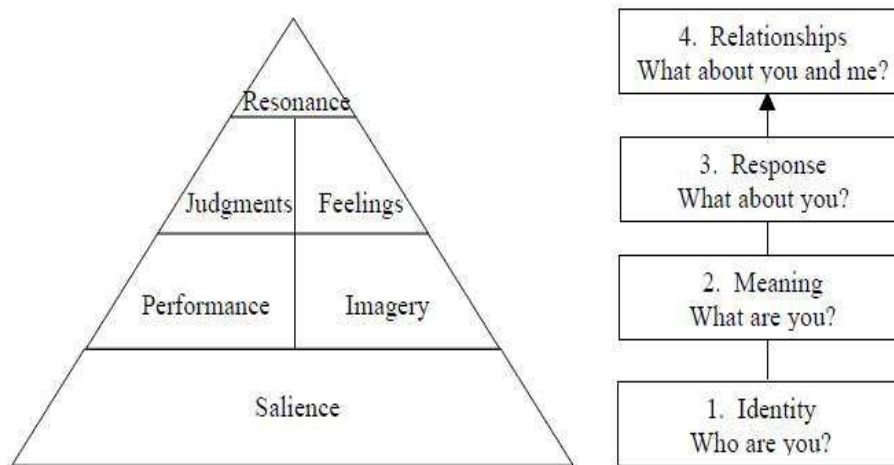
Source: Keller (2013)

Moreover, King and Grace (2009) consider that the division of the conceptualization of brand equity from a financial versus customer perspective is incomplete. They mentioned brand building efforts are driven by a desire to build and maintain strong brands so as to obtain a definite competitive advantage. However, they argued that the benefits or measurement of an investment from an internal perspective is lacking and the brand equity literature is still strongly dominated by these two externally directed perspectives (King & Grace, 2010). Therefore, they propose a third perspective upon which brand equity should be considered and measured, that being EBBE as it appears before CBBE and financial based-brand equity.

Figure 14: Perspectives of Brand Equity
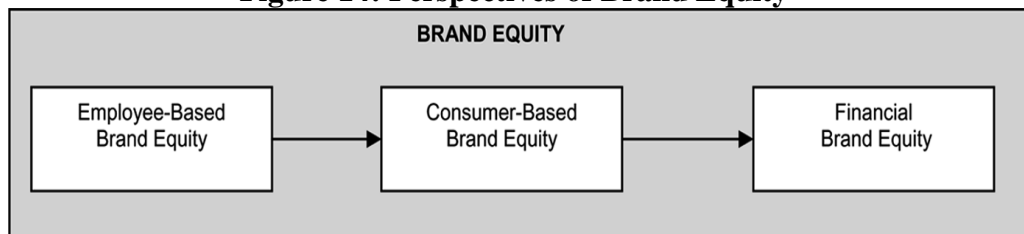
Source: King & Grace (2009)

Given the common point of view that CBBE is the foundation upon which financial brand equity is obtained, King and Grace (2009) then developed the EBBE concept based on Keller's CBBE concept due to its relevance of having brand knowledge as the key to create brand equity. Therefore, they defined EBBE as *"the differential effect that brand knowledge has on an employee's response to their work environment"*(King & Grace, 2010; 2009). It requires the translation of the brand identity in a way that meaningful to the employees in the context of their roles, responsibilities and work-related behavior that centered on delivering the brand promise. King and Grace (2009; 2010) also developed the EBBE framework into 3 different categories: internal brand management, employee brand knowledge effects and EBBE benefits. The framework is illustrated as below.

Figure 15: Employee-Based Brand Equity
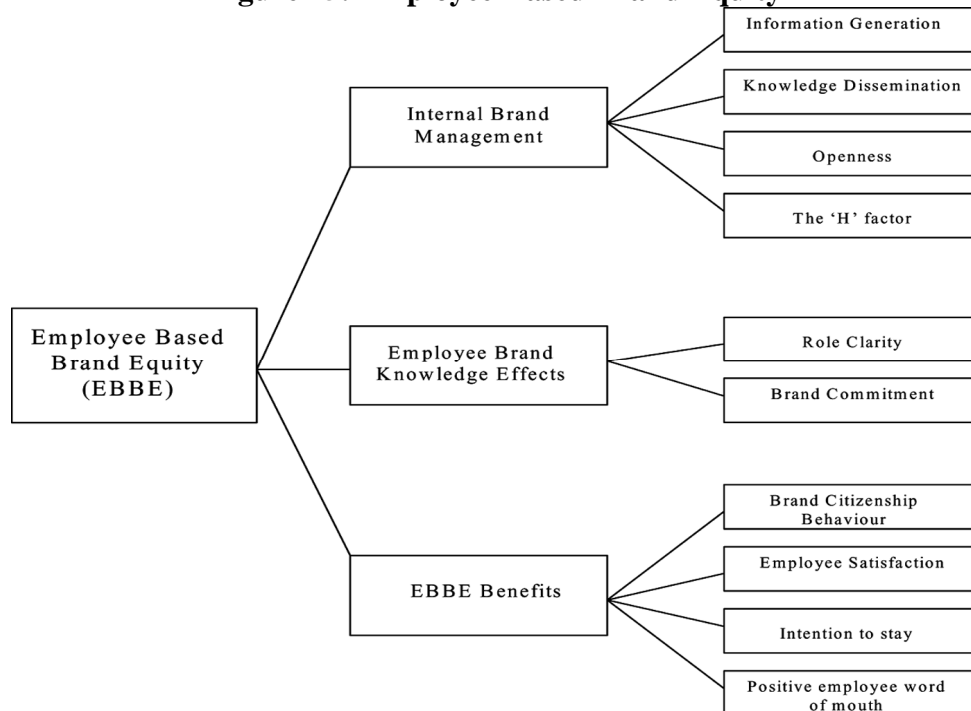
Source: King & Grace (2009; 2010)

Supported by King and Grace (2009; 2010) EBBE concept, this research will focus on brand knowledge as the result of internal brand management and the foundation of EBBE. Additionally, the importance of brand knowledge can be equally adapted to internal branding area, since the brand knowledge relates to the cognitive representation of the brand (Kwon, 2013). Furthermore, as a result of brand knowledge, employee's role clarity and commitment to the brand will increase and they are considered also as important outcomes of internal branding (King & Grace, 2009).

Figure 16: Dimensions of Employee-Based Brand Equity
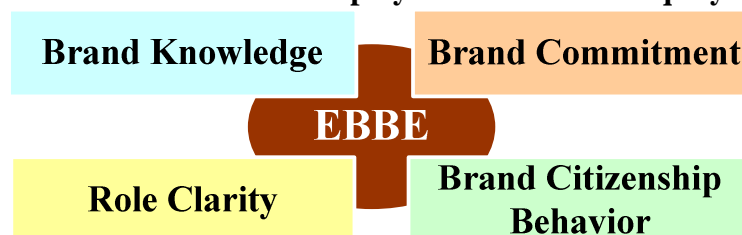
Source: (King & Grace, 2010)

According to King and Grace (2009; 2010), brand citizenship behavior is one of the advantages of EBBE. In contrast, other researchers (Shaari, 2011; Burmann, Jost-Benz, & Riley, 2009) consider brand citizenship behavior as the result of internal branding and a part of brand equity itself as employees are willing to constantly enhance brand-related knowledge and skills, employees behave positively towards their work, other employees as well as customers of the brand and they likely to take additional initiatives outside the duty in brand-related matters.

II.5.1.BRAND KNOWLEDGE

From the perspective of the CBBE concept, brand knowledge is the key to create brand equity, because it creates the differential effect that drives brand equity (Keller, 2013). He explained brand knowledge is *"terms of an associative network memory model, as a network of nodes and links wherein the brand node in memory has a variety of associations linked to it"* and brand knowledge classified into 2 components: brand awareness and brand image.

Since brand knowledge relates to the cognitive representation of the brand, the importance of brand knowledge can be equally adapted to the internal branding area (Kwon, 2013). Keller also introduced the cognitive approach of CBBE, which is based on cognitive psychology and explains that an individual understands, remembers, make decisions, and performs based on the information he/she has received (Kwon, 2013).

Since King and Grace (2009) relate it to the employees, brand knowledge in employee-based brand equity is the key to employees being able to deliver the brand promise. Brand promise refers to what a particular brand stands for in the consumers' mind or the marketer's vision of what the brand must be and do for consumers (Keller, 2013; Kwon, 2013). King (2010) also believes if the employees are lacking in brand knowledge, they are not able to behave in the manner desired by the organization and they are not able to make brand related decisions. Consistent with Keller's cognitive approach, EBBE is constructed based on human cognitive activity (Kwon, 2013) by providing the relevant and meaningful information until demonstrating desired behaviors to the employees (King, 2010).

II.5.2.ROLE CLARITY

Role clarity plays a vital role in organizational behavior due to its being considered a predictor of organizational outcomes such as organizational performance, satisfaction, commitment, and turnover (Kwon, 2013). According to King and Grace (2009), brand knowledge provides employees with clear guidance and instruction and it will clarify their role in delivering brand promise to customers. If important information about brand knowledge to achieve their performance expectations is not widely distributed, the employees' role ambiguity will increase (King & Grace, 2009).

Along with King and Grace, Sharma and Bajpai (2011) and Kwon (2013) agreed that if the employees have a high awareness level of the organization's goals (vision/direction), in terms of job performance, they will deliver the brand promise to the customers through their role. In other words, employees who perceive role clarity in their jobs are more likely to perform better (Kwon, 2013). According to Mukherjee and Malhotra, employees who are clear about their role have the sense of belonging towards the organization (Kwon, 2013). Korczynski explained that high levels of role clarity among employees are positively associated with brand commitment and Zaccaro and Dobbins offered the fullest account of role clarity from the internal branding perspective (Kwon, 2013). They highlight that employees with high role clarity are more likely to identify with their organizations and understand the goals, and have a high level of brand commitment to their organizations.

II.5.3. BRAND CITIZENSHIP BEHAVIOR

Brand citizenship behaviors are considered as the behavioral perspectives that measure a brand's strength (Burmann, Zeplin, & Riley, 2009; Xiong & King, 2013). According to Xiong and King (2013), brand citizenship behaviors refer to how employees *"live the brand"* through their voluntary behaviors and the focus of these behaviors is the extra-role behaviors that extended beyond formal role requirement, for instance improving customers' brand experiences through taking initiatives, extra duties, and other efforts.

Furthermore, Burmann et al. (2009) and Shaari (2011) explained seven determinants which represent the brand-related behavior or brand citizenship behavior of the employees to enhance the organization's brand success and later sustain the organization's competitive advantages; (1) helping behavior is associated with positive attitude, friendliness, helpfulness, and empathy towards internal and external customer, taking responsibility for tasks outside of own area if necessary such as following up on complaints, (2) brand consideration refers to employee's adherence to brand-related behavior guidelines and reflection of brand impact before communicating or taking action in any situation, (3) brand enthusiasm refers to an employee's ability to show extra initiative while engaging in brand-related behavior, (4) sportsmanship is associated with no complaining, even if engagement for the brand cause inconvenience; willingness to engage for the brand even at the opportunity cost, (5) brand endorsement refers to an employee's recommendation of the brand to others also in non-job-related situations for example, to friends; passing on the brand identity to newcomers in the organization, (6) self-development refers to an employee's willingness to continuously enhance brand-related skills, and (7) brand-advancement refers to an employee's contribution to the adaptation of the brand identity concept to changing market needs or new organizational competencies, such as through passing on customer feedback or generating innovative ideas.

II.5.4. BRAND COMMITMENT

Brand commitment is considered as the attitudinal perspective that measures a brand's strength (Burmann, Zeplin, & Riley, 2009; Xiong & King, 2013). Specifically, brand commitment is defined as an employee's psychological attachment towards a certain brand/organization (Xiong & King, 2013).

In accordance with King and Grace (2009), the level of employee commitment is an important requirement for realizing employee-based brand equity in order to make sure employees have a genuine desire to deliver the brand promise. They indicated that if the employees perceive positively the relationship with the organization and worthy of maintain, then the employees have a high level of commitment to the organization and this commitment is also considered as a key variable in achieving organizational success as employees' sense of belonging affects their ability to go beyond the call of duty in order to reach the organization's goals. King and Grace (2009) explained 3 perspectives of organizational commitment; (1) affectiveness of attitudinal commitment is an internalized perspective, representing the strength of the individual's attachment to the organization and the extent to which they adopt the values, characteristics, perspectives, and beliefs of the organization, (2) continuance commitment infers that employees are consciously aware of the costs associated with

leaving an organization and is driven by external consequence, and (3) normative commitment reflects a feeling of obligation to stay with the organization and is also driven by external consequence.

Brand resonance in Keller's CBBE model, is consistent with affective brand commitment component which refers to the relationship customers have with a brand and the extent to which they feel in synch with the brand (King & Grace, 2009; Keller, 2013). Brand commitment in EBBE is similar with brand resonance in CBBE which refers to the relationship between the employees and the organization's brand. Burmann et al. (2009) mentioned brand commitment to be a two-dimensional construct consisting of identification with the brand identity and internalization of the brand identity.

Therefore, it may be apparent that the creation of EBBE inside organizations may be relatively impossible without the preliminary presence of product innovation, internal branding, and electronic words of mouth. Hence, it can be hypothesized as follows;

H$_4$: Product innovation influences employee-based brand equity
H$_5$: Internal branding influences employee-based brand equity
H$_6$: Electronic words of mouth influences employee-based brand equity

II.6. CUSTOMER INTIMACY

Relationship marketing covers the entire spectrum of marketing starting from channels, business to business marketing, services marketing, marketing research, customer behavior, marketing communications, marketing strategy, international marketing and direct marketing. It is used by firms to facilitate the acquisition and management of customers. Keeping customer at the core of the planning and avoid strategies that promote destructive to customer relationships or bad habit are the reason why relational marketing is important. The table below shows the differences between transactional and relationship marketing (Egan, 2011).

Table 12: Differences Between Transactional and Relationship Marketing

TRANSACTIONAL MARKETING	RELATIONSHIP MARKETING
Do the deal and disappear	Negotiate a 'win-win' sale situation and stay around being a resource for better result
Push price	Promote value
Short-term thinking and acting	Long-term thinking and acting
Build the business on deals	Build the business on relationship
Getting new customers	Keeping customers
No structure for ongoing business	Structure created to support relationships
Selling focused	Relationship focused
Short-term empathy	Long-term empathy and rapport
Incentive for 'doing the deal'	Incentive for long-term relationship and revenue
Foundation of sale telling and selling	Foundation of revenue trust
After-sales service at additional cost	After-sales service as investment in relationship
Product service focused	People expectations and perception focused
Reward incentives for 'doing deals'	Reward incentives for maintaining and growing relationships and revenue
The deal is the end	The sale is the beginning

Source: (Egan, 2011)

Brodie et al. and Coviello et al. noted multiple uses of relationship marketing (Egan, 2011) as shown in the following illustration.

Figure 17: Relationship Marketing

Source: (Egan, 2011)
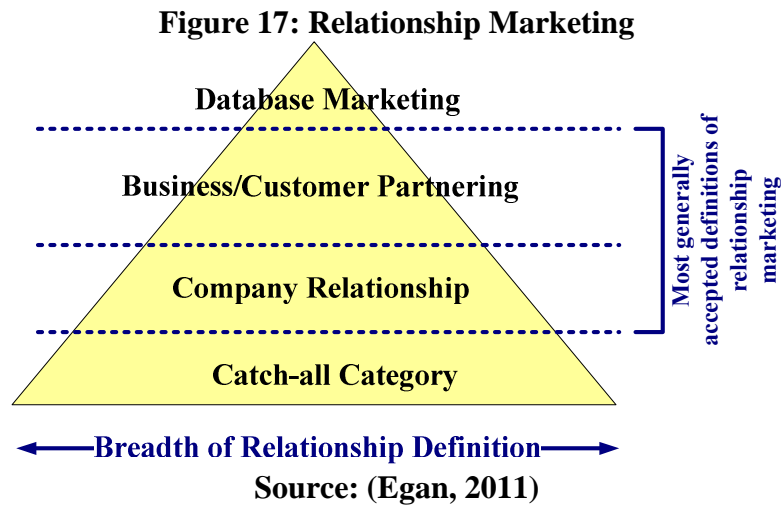
Understanding the marketplace, customer needs, design and construct a customer driven marketing program is the effort made to build a profitable customer relationship (Kotler & Armstrong, 2013).The main purpose of establishing relationship with a customer is to attract the customer and to build the relationship with the customer so that the economic goals of the relationship are maintained (Shruthi & Devaraja, 2012). Embraced by industries in the late 90's and the early 2000's, the customer relationship management (CRM) was a managerial initiative that has become the integral part of the marketing world today (Shannahan & Shannahan, 2010). CRM is considered an important way to enhance customer loyalty and firm performance. Customer intimacy, as a part of CRM[2], has a higher impact to loyalty. In the face of competitive market conditions, businesses need to deliver consumer value by having intimate relationships with customers in order to increase their loyalty.

CRM is the process of carefully managing detailed information about individual customers and all customer-touch points' which a customer encounters the brand and product from actual experience to personal or mass communication to casual observation in order to maximize the customer loyalty (Kotler & Armstrong, 2013; Kotler & Keller, 2012). CRM system allows customer information to be captured and delivered to the various touch points so that it will create a customization and personalization (Wirtz, Chew, & Lovelock, 2012). Customization and personalization will lead to customer value and satisfaction which are the main keys to create lasting customer relationship (Kotler & Armstrong, 2013). Value is the price of the product at the time of trade-in or end-of-life. Customer perceived value is also important because it can lead to brand loyalty (Kamtarin, 2012). A long-term relationship with the customer ensures their repeat business (Shruthi & Devaraja, 2012).

CRM is also about creating a sustainable competitive advantage by being the best at understanding, communicating and delivering and developing existing customer relationships in addition to creating and keeping new customers. A good CRM program addresses the changing need of the customers by developing products and services that continuously seek to

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[2]CRM is a whole process where customer relations are built and maintained by delivering superior customer value and satisfaction (Wirtz, Chew, & Lovelock, 2012)

satisfy the lifestyle and need patterns of individual customers (Shruthi & Devaraja, 2012). Customer intimacy is the result of a good CRM program where customers' emotional attachment that binds them to certain brands or service providers. In other words, it is the customers' emotional attachment that binds them to certain brands or service providers (Chinomona & Sandada, 2013). Corporate reputation and image are also considered as important factors in establishing and maintaining loyalty[3] among customers. Loyal customers are reported to have higher retention rates, commit a higher share of their spending and are more likely to recommend others to become customers of the firm so building and maintaining customer loyalty, therefore has been a central theme of marketing theory and practice in achieving sustainable competitive advantage (Roy, Butaney, & Bhutaney, 2009).

Customer intimacy can be summarized in 5 Cs; communication, caring, commitment, comfort, and conflict resolution (Li M. H., 2009; Chinomona & Sandada, 2013). Li (2009) also identified the 2 ways that organizations use to maintain loyalty; (1) customization, which involves providing customized products and services, customized production delivery times and prices, and frequent one-on-one dialogue with customers, and (2) and brand loyalty to provide reliable brands to help reduce perceived customer risk and increase confidence in the brand.

Customer intimacy can be interpreted as a requisite for establishing a relationship where mutually beneficial two way communication (Omarini, 2011). Those actions may include offering high quality products, exhibiting high level of flexibility towards customer, high readiness to exchange information with customers (Tuominen, Rajala, & Möller, 2001). Improving customer intimacy means being well aware of the importance of maintaining long term and deep relationships with customers and making continuous efforts to explore customer relationship management (Li M. H., 2009). According to Simonson (2003) customer intimacy has 2 indicators; (1) mass customization, and (2) perceived one-to-one interactions

II.6.1. MASS CUSTOMIZATION

Customer-centric marketing can implement one to one marketing through mass customization (Sheth, Sisodia, & Sharma, 2000). Customization means differenced product and typically can expand the variety of products which will probably lead to higher market share and increased profitability (Sievanen, 2003). Customization involves providing customized products and services, customized production delivery times and prices, and frequent one-on-one dialogue with customers (Chinomona & Sandada, 2013).

There are a lot of motivations for doing customization but mostly it is done to fulfill customers' needs (Sievanen, 2003). Mass customization arrived as the desire to provide customers with anything, anytime, anywhere in anyway desired such as the usage of information technology, flexible processes and organizational structure (Teerling & Huizingh, 2006). Mass customization attempts to deliver goods and services which meet customer's needs and also a near mass production efficiency (Piller & Möslein, 2002). The idea of mass customization comes from the idea to

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[3]Loyalty can be describe as *"a deeply held commitment to re-buy or re-patronize a preferred product/service consistently in the future, thereby causing repetitive same brand purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior"*(Ishaq, 2012)

deliver customized goods on a mass basis to gain competitive advantage relative to competition which is described as a new competitive strategy to challenge old strategy (Sigala, 2012).

Mass customization[4] is characterized by the involvement of customers in the process before the transaction (Teerling & Huizingh, 2006). Mass customization is generally considered as a tool to build loyalty when mass market quality is no longer sufficient differentiator (Bhattacharya & Bolton, 2000). A strong customer relationship is expected as the result from the combination of mass customization and the internet (Teerling & Huizingh, 2006). The core of customization is to provide customers with personalized product based on acceptable delivery time and price not only to win customers but also to effectively achieve the goal of sales and production in market competition.

II.6.2. PERCEIVED ONE-TO-ONE INTERACTION

Intimacy refers to an interpersonal process which results from intimate behaviors and intimate experiences that create intimate interaction (Li Y. W., 2009). In the efforts to build customer intimacy with customers, companies must learn as much as possible about each customer's behavior, attitudes and expressed needs and use that to understand where and what pain points are in order to meet customers' expectations and retain loyalty and trust which have become more important (Williams, Hernandez, Petrosky, & Page, 2010). With the growth of the internet, it is common these days to engage with customers in the social media. The goal of this trend is to have a constant interaction to gain greater favor for brand and enhance brand equity (Jakste & Kuvykaite, 2012). A close relationship can be built by creating emphatic responses that can be done by appear social, personalized interface and personalized recommendation (Li Y. W., 2009).

Intimacy and passion can enrich customer service interaction which will bring a closeness level of customer-firm relationship (Habryn, Blau, Satzger, & Kölmel, 2010). Two way interactions are needed in an exchange relationship in order to reduce the possibility of customers switching to another company. Connection or relationship with customers which are the main purpose of interaction can be gained from electronic and personal interaction forums which help to strengthen relationships (Bhattacharya & Bolton, 2000). Perceived interactivity can be described as *"the extent to which a person perceives controls over the interaction process where communication counterpart personalizes and responds"*(Lee T. M., 2005). Quality of interaction could lead to repeated transaction and in this technological era, a personal website can be used to be the interaction tool which requires lower interaction cost but offers higher customer level of convenience and service speed (Verhoef & Langerak, 2002). As interaction between employees and customers is constantly repeated over

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[4]Mass customization as an attempt to reach customer intimacy cannot be ended in one point because if it is ended is also means that the intimacy level which has been trying to build will be gone too.Knowledge loop of mass customization above shown that how important it is to the contribution of total value which can be divided into 5 main categories (Freund & Piotrowski, 2005): (1) financial: knowledge leads to increase in revenue, (2) innovation: developing, sharing and applying knowledge new products and services can be quickly developed, (3) processes: knowledge makes processes more effective and efficient, (4) client/customers: knowledge can help understand customer better which leads to optimized products and services offering to satisfied customer needs and wants. Any further sharing knowledge with customers helps to build customer intimacy, (5) human/employees: knowledge helps to create a fun to work working environment where talents are not only used but also can be developed.

time, the motivation for the development of social aspect to the relationship necessarily increases and service relationship will occur (Gremler & Gwinner, 2000).

Therefore, when the EBBE is created, employees/staff become aware and understand better about the company's brand. As the level of awareness and understanding increase, employees/staff may likely increase their level of sharing with customers. Hence, it can be hypothesized as follows;

H_7 : Employee-based brand equity influences customer intimacy

II.7. PREVIOUS RESEARCH
Some notable studies in relation to the topics in this research include the following;

Table 13: Previous Studies

Title	Variables & Indicators	Findings
1. Relationships and Technology: Strategic Implications(O'Malley & Mitussis, 2002)	Relationship marketing: motivation, expectation, cost, and rewards Technology: customer database, and new channel dialogue	Although the limited opportunity for frequent and extended interpersonal interaction (ideally the building blocks of customer relationships) initially posed problems for relationship development in mass consumer markets, technological advances have continued to offer marketers creative solutions to the problem of relationship development
2. Service Innovation and Electronic Word-of-Mouth: Is It Worth Listening To?(Andreassen & Streukens, 2009)	Innovation: business practice, and usage experience eWOM: product involvement, self enhancement, and message involvement	eWOM is worth listening to for innovative firms that want to develop a competitive advantage. eWOM can help firms manage the adoption process for new products or services more effectively also lead to an improved innovation rate with better, faster results.
3. Mitigating the Bullwhip Effect with eWord Of Mouth: eBusiness Intelligence Perspective(Al-Sudairi, Vasista, Zamil, & Algharabat, 2012)	CRM: frequency of contact, and potency of bonding Social media marketing: customer engagement, brand engagement, brand acquisition, lead generation, and direct revenue generated	eWOM as a Social Media Marketing tool have potential to generate information. It is attempting to upgrade as an effective alternate to brand communication media in the Internet

Title	Variables & Indicators	Findings
4. Relationship Between Electronic Word-of-Mouth and New Product Development: A Thailand Food Industry Case(Keawsujarit, Anuntavoranich, Sinthupinyo, Minakan, & Phumiphan, 2013)	eWOM: Product evaluations, customer satisfaction, and customer references New product development: fuzzy front end (pre-development), developing and testing, and product launching	The relationship between eWOM and new product development show that eWOM information directly concerns the new product development processes. eWOM contains valuable information about customers, such as their opinions about product evaluation, or their satisfaction
5. The Influence of Leadership Styles on Employees' Job Satisfaction in Public Sector Organizations in Malaysia(Voon, Lo, Ngui, & Ayob, 2011)	Transactional Leadership: contingent reward, active management by exception, and passive management by exception Transformational Leadership: inspirational motivation, intellectual stimulation, individual consideration, and idealized influence Job Satisfaction: working condition, and work assignment	Transformational leadership style has a positive relationship with job satisfaction whereas transactional leadership style has a negative relationship with job satisfaction in public/government organization.
6. Influence of Transformational Leadership and Organization Climate to the Work Satisfaction, Organizational Commitment and Organizational Citizenship Behavior on the Educational Personnel of Sebelas Maret University, Surakarta(Ngadiman, Eliyana, & Ratmawati, 2013)	Transformational Leadership: idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration Organizational Climate: responsibility, coordination, group spirit, rewards, work standard, and organizational clarity Job Satisfaction: mentally challenging, equitable reward, supporting work, supporting colleagues, and personality congruence Organizational Commitment: affective commitment, normative commitment Organizational Citizenship Behavior: helping behavior,	• Transformational leadership has a significant influence to job satisfaction. • Transformational leadership has no significant influence to organizational commitment. • Transformational leadership has no significant influence to OCB. • Organizational climate has significant influence to job satisfaction. • Organizational climate has no significant influence to organizational commitment. • Organizational climate has no significant influence to OCB. • Job satisfaction has a significant influence to organizational commitment. • Job satisfaction has a significant influence to OCB. • Organizational commitment has a significant influence to OCB.

Title	Variables & Indicators	Findings
	sportsmanship, organizational loyalty, organizational compliance, individual initiative, civic virtue, and self-development	
7. Effect of Transformational Leadership on Employees' Job Satisfaction and Organizational Commitment in Banking Sector of Lahore (Pakistan)(Bushra, Usman, & Naveed, 2011)	Transformational Leadership: charismatic role modeling, individualized consideration, inspirational motivation, and intellectual stimulation Job Satisfaction: pay, promotion, supervision, work itself, coworkers, and personal characteristic Organizational Commitment: affective commitment, continuance commitment, and normative commitment	Transformational leadership has significantly positive effect at level of overall job satisfaction and organizational commitment.
8. The Relationship Between Internal Branding and Affective Commitment(Almgren, Ek, & Goransson, 2012)	Internal Branding: internal communication, brand oriented training, brand oriented recruitment, and brand oriented leadership Affective Commitment: emotional attachment, career path, positive word of mouth, and personal meaning	Internal branding has a positive influence on affective commitment.
9. Relationship Between Internal Branding Practices, Brand Commitment and Employees' Brand Citizenship Behavior(Shaari, 2011)	Internal Branding: brand meaning, brand information, brand delivery, brand leadership, and brand rewards Brand Commitment: brand compliance, and brand engagement Brand Citizenship Behavior: helping behavior, sportsmanship, self-brand-development, and brand endorsement	Internal branding has a significant influence on brand commitment and brand citizenship behavior.

Title	Variables & Indicators	Findings
10. Internal Branding and Brand Commitment: a Quantitative Investigation into Corporate Brand Building in a Retail Store Network(O'Callaghan, 2009)	Internal Branding: vision, core values, internal brand communications, network supports, and network rewards Brand Commitment: normative commitment, continuance commitment, and affective commitment	Internal Branding has a significant influence on building employee's commitment.
11. "One size doesn't fit all": Tourism and Hospitality Employees' Response to Internal Brand Management(King, 2010)	Brand Knowledge Dissemination: internal communication, training, and manager review Role Clarity: job understanding, job decision, problem solving, and job expectation Brand Commitment: emotional attachment, and values similarity Brand Supportive Behavior: work extra, brand knowledge sharing, and learning intention	• Brand knowledge dissemination has a significant influence on role clarity for management. • Brand knowledge dissemination has a significant influence on brand commitment for management. • Role Clarity has a significant influence on brand supportive behavior for front line employees and management. • Brand commitment has a significant influence on brand supportive behavior for front line employees.
12. Building and Measuring Employee-Based Brand Equity(King & Grace, 2009)	Openness: open dialogue, and interaction Information Generation: job information, employee appraisals, employee research, and employee feedback Knowledge Dissemination: brand promise communication, job training, skill and knowledge development The 'H' Factor: management and employees cooperation, effective communication, organizational consideration, and employee treatment Role Clarity: employee behavior, problem handling, performance expectation, and brand information on clarifying employee's role.	• Openness has a significant positive effect on information generation. • Openness has a significant positive effect on knowledge dissemination. • The 'H' factor has a significant positive effect on openness. • The 'H' factor has a negative effect on information generation. • The 'H' factor has a significant positive effect on knowledge dissemination. • Information generation has a significant positive effect on knowledge dissemination. • Knowledge dissemination has a significant positive effect on role clarity. • Knowledge dissemination has a significant positive effect on brand commitment. • Role clarity has a significant positive effect on EBBE benefits. • Brand commitment has a significant positive effect on EBBE benefits.

Title	Variables & Indicators	Findings
	Brand Commitment: emotional attachment, values similarity, and organizational fit-in EBBE Benefits: brand citizenship behavior, employee satisfaction, employee intention to stay, positive employee word-of-mouth, management support, organizational socialization, employee attitude towards their job, and employee involvement	
13. An Investigation into the Relationships Between Universities' Internal Branding, Employee Brand Support and the Transformational Leadership Characteristics of Immediate Leaders: A Study from the Perspective of Academic Staffs in Thai Universities(Kaewsur in, 2012)	Transformational Leadership: idealized influence, inspirational motivation, intellectual stimulation, and individual consideration Internal Branding: internal brand communication, and brand-centered training and development Employee Brand Support: brand value explanation, brand knowledge, brand values delivery, and brand values implementation on daily work activities	Transformational leadership style has a significant influence on internal branding, especially brand-centered training and internal branding impacts effectively on employee brand support.

II.8. DIFFERENCES IN RESEARCH

Some notable differences of this study in comparison to the previous studies in the past are as follows;

a. "Product Innovation" is an important topic, but may have appeared under-studied in connection to organizational leadership, brand equity, and customer intimacy.

b. "Customer Intimacy" is a topic that is closely related to customer loyalty and CRM. This study aims to evaluate more, particularly in relation to leadership, product innovation, internal branding, electronic words of mouth, and brand equity.

c. Most researchers conducted studies on the influence of transformational leadership on job satisfaction, organizational commitment and organizational citizenship behavior (Bushra, Usman, & Naveed, 2011; Ngadiman, Eliyana, & Ratmawati, 2013; Voon, Lo, Ngui, & Ayob, 2011). Regarding internal branding, numerous researchers (Almgren, Ek, & Goransson, 2012; Shaari, 2011; O'Callaghan, 2009) discovered the impact of internal branding on brand commitment and brand citizenship behavior but limited previous studies provided the outcomes of internal branding which refer to employee-based brand

equity.

d. King and Grace (2009) successfully constructed a new concept for employee-based brand equity as the 3 perspective of brand equity and examined the concept to build and measure employee based brand equity (King & Grace, 2010). They presented 3 dimensions of employee-based brand equity; (1) internal brand management, (2) employee brand knowledge effects, and (3) employee-based brand equity benefits. However, internal brand management is associated with the implementation of internal marketing strategies and it is an organizational activity that enhances employee's roles and responsibility based on brand knowledge (Kwon, 2013). Therefore, internal brand management is considered not to be a dimension of employee-based brand equity and this conducted research will focus on brand knowledge, role clarity, brand citizenship behavior, and brand commitment as the dimensions of employee-based brand equity.

e. Kaewsurin (2012) observed the relationship between transformational leadership, internal branding and employee brand support in Thai universities. Nevertheless, the dimensions of employee-based brand equity were not completely observed. Therefore, there is still a gap in revealing the relationship between transformational leadership, internal branding and employee-based brand equity, especially in hotel industry.

II.9.   RESEARCH MODEL & HYPOTHESES
Based on the above differences, the following research model is used in this study.

Figure 18: Research Model
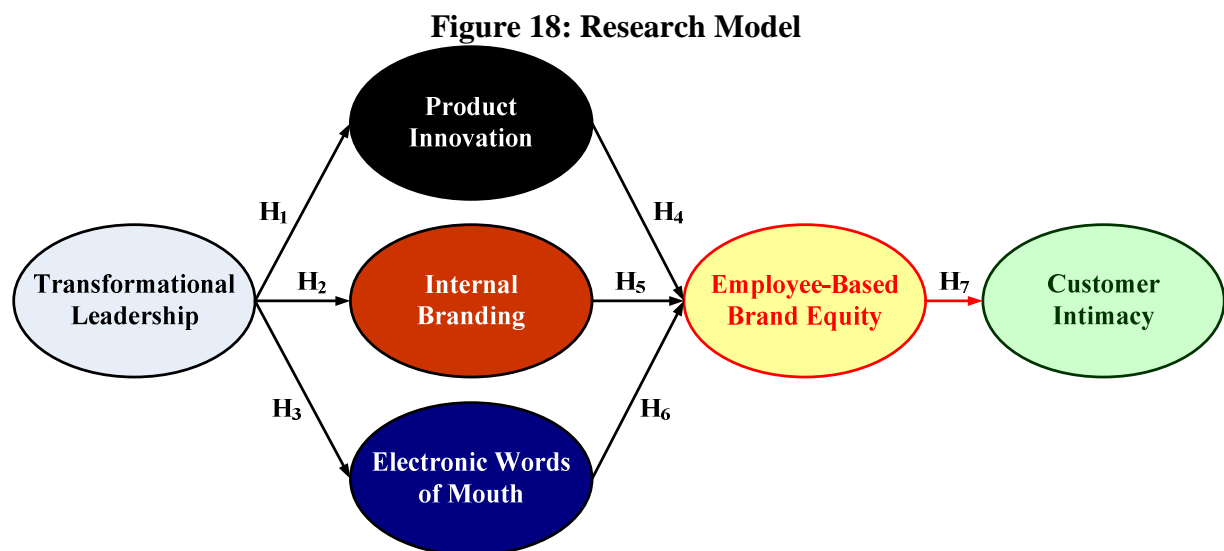
III.   RESEARCH METHOD
This study follows the descriptive-causal research method. The descriptive study is intended to provide information on certain relationships, variables and indicators (Budiman, Anantadjaya, & Prasetyawati, 2014). On the other hand, the causal study reveals the causal effect from one variable to another as a way to measure the influence among variables (Sekaran & Bourgie, 2013; Cooper & Schindler, 2010). Because of the descriptive-causal method in this study, the actual data collection to be analyzed is based on quantitative data by means of questionnaires distribution.

The population is employees and customers of at least mid-scale hotels and cafes/restaurants in the city of Jakarta and Bandung. Jakarta is selected due to its status as the capital city of the Republic of Indonesia. Bandung is selected as the "get-away" city for the residents of Jakarta. In terms of the actual hotel locations, however, since the nature of the selected variables used in this study, and the corresponding questionnaires, the sampling method may have to follow the non-probability purposive sample. This ensures both the willingness to participate in the study and higher response rate. Once the hotels are chosen based on the non-probability purposive sampling method, which is based on prior acquaintances with the hotel management team, a stratified sampling method is applied to select the supervisory level and up of all divisions.

Despite the non-probability purposive sampling method, the following sample size calculation is performed to ensure the potential generalizability of the results. As shown in the following table, out of the targeted population, only 50% is considered as the true potential proportion to be taken as samples. Of those 50% true proportion, the allowable sampling error is limited to be at 10% maximum, while maintaining the 95% confidence level. With those combinations, the minimum sample size required is 97.

Table 14: Sample Size Determination

Data	
Estimate of True Proportion	**0.5**
Sampling Error	**0.1**
Confidence Level	**95%**

Intermediate Calculations	
Z Value	-1.9600
Calculated Sample Size	96.0365

Result	
Sample Size Needed	**97**

Source: PHStat

Referring to the research model, and the incorporation of Likert 5-scale, the operationalized of variables and indicators are as follows;
a. Transformational leadership (Kaewsurin, 2012): idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration

b. Product innovation (Erdil, Erdil, & Keskin, 2004): technological drive, and focus on short-time to market

c. Internal branding(Kaewsurin, 2012): internal communication, and brand training
d. eWOM (Filieri & McLeay, 2013): information quality, information usefulness, and trustworthiness

e. EBBE (Kwon, 2013; King & Grace, 2010; Xiong & King, 2013): brand knowledge, role clarity, brand citizenship behavior, and brand commitment

f. Customer intimacy (Simonson, 2003): mass customization, and perceived one to one interaction

Because of the questionnaire distributions, this data will have to undergo the pre-test and post-test for validity and reliability. The validity boundaries follow the SPSS' KMO & Bartlett's Test with a minimum of 0.5 to be considered valid (Sarwono, 2012). The reliability follows the SPSS' reliability statistics, which are based on Cronbach Alpha of Standard with a minimum of 0.7 to be considered reliable(Sarwono, 2012). Once the pre-test and post-test have been verified, the data analysis relies on the structural equation modeling with the following parameters on the goodness of fit of the data in accordance with the research model.

Table 15: Goodness of Fit Criteria

Criteria	According to Schumaker and Lomax, 2004; Wijaya, 2009	According to Ghozali, 2004; Santoso, 2009
χ^2 (likelihood ratio chi square statistic) as a testing tool to check the overall fitness of the model	Smaller x^2 value from a model = better	Smaller x^2 value from a model = better
p-value	p-value $\geq$ 0.05 = better	Bigger p-value = better
CMIN/df (normed chi-square)	CMIN/df $\leq$ 2 = better	CMIN/df $\leq$ 5 = better
RMSEA (root mean square error of approximation)	RMSEA $\leq$ 0.08 = better	RMSEA $\leq$ 5 = better
GFI (goodness of fit index)	GFI value closer to 1 = better	GFI value closer to 1 = better
AGFI (adjusted goodness of fit index)	AGFI value closer to 1 = better	AGFI $\geq$ 0.09 = better
TLI (Tucker-Lewis index)	TLI value closer to 1 = better	TLI $\geq$ 0.09 = better
CFI (comparative fit index)	CFI value closer to 1 = better	CFI value closer to 1 = better
NFI (normal fit index)	-	NFI $\geq$ 0.09 = better
PNFI (parsimonious normal fit index)	-	Higher PNFI value = better
PGFI (parsimonious goodness of fit index)	-	Higher PGFI value = better
RMR (root mean squared residual)	RMR $\leq$ 0.05 = better	RMR $\leq$ 0.05 = better
Reliability	Reliability $\geq$ 0.70 = better	Reliability $\geq$ 0.70 = better

Source: (Ghozali, 2004; Santoso, 2009; Schumacker & Lomax, 2004; Wijaya, 2009)

Besides the structural equation modeling, which is based on AMOS, to note the structural influences among variables, Powersim is utilized to evaluate the possibilities of delays in the actual realizations of the variables used in this study.

IV. DATA ANALYSIS

With regards to the compilation of data in this study, the following table shows the descriptive statistics. In general, the data is appeared to be within the acceptable boundaries of being normally distributed. With the total of 125 distributed questionnaires, only 104 questionnaires are usable due to incomplete responses, and minimal variations in responses. This represents 83.20% response rate.

In terms of the validity of the data, Table 17: KMO and Bartlett's Test shows that the data in this study is considered 75% valid. The level of validity is relatively affected by lower validity for several statements, as shown in **Error! Reference source not found.**. However, though the level of validity is relatively marginal, those statements are considered valid.

Table 16: Descriptive Statistics

	N	Mean		Std. Deviation	Variance	Skewness		Kurtosis	
	Stat	Stat	Std. Error	Stat	Stat	Stat	Std. Error	Stat	Std. Error
II1	104	4.06	.077	.786	.618	-.714	.237	1.082	.469
II2	104	3.81	.080	.813	.662	-.293	.237	-.352	.469
IM1	104	3.88	.070	.715	.511	-.315	.237	.082	.469
IM2	104	3.93	.066	.672	.452	.079	.237	-.750	.469
IS1	104	3.76	.068	.690	.476	-.369	.237	.273	.469
IS2	104	3.93	.071	.728	.529	-.205	.237	-.322	.469
IC1	104	4.07	.069	.700	.491	-.439	.237	.234	.469
IC2	104	4.05	.069	.702	.493	-.753	.237	1.290	.469
TD1	104	2.52	.060	.607	.369	-.075	.237	-.321	.469
TD2	104	2.64	.072	.736	.542	-.365	.237	-.008	.469
TD3	104	2.83	.066	.675	.455	.222	.237	-.792	.469
TM1	104	2.68	.078	.792	.626	-.205	.237	-.311	.469
TM2	104	2.56	.067	.680	.463	-.873	.237	.130	.469
TM3	104	2.75	.071	.721	.519	-.853	.237	.850	.469
ICM1	104	3.72	.062	.630	.397	.059	.237	-.289	.469
ICM2	104	3.66	.065	.663	.439	.089	.237	-.288	.469
BT1	104	3.80	.070	.716	.512	-.329	.237	.130	.469
BT2	104	3.92	.064	.649	.421	-.360	.237	.588	.469
IQ1	104	2.67	.074	.756	.572	-.609	.237	.193	.469
IQ2	104	2.73	.064	.657	.432	-.281	.237	.193	.469
IQ3	104	2.75	.061	.619	.383	-.281	.237	.272	.469
IU1	104	2.81	.063	.640	.409	-.716	.237	1.207	.469
IU2	104	2.66	.066	.677	.458	-.617	.237	.412	.469
IU3	104	2.73	.070	.714	.509	-.370	.237	.163	.469
TR1	104	2.80	.067	.688	.473	-.262	.237	.123	.469
TR2	104	2.75	.059	.603	.364	-.372	.237	.426	.469
BK1	104	3.69	.063	.640	.409	-.305	.237	.180	.469
BK2	104	3.77	.070	.714	.509	-.120	.237	-.198	.469
RC1	104	3.80	.063	.644	.415	-.231	.237	.214	.469
RC2	104	3.80	.050	.510	.260	-.294	.237	.128	.469
BCB1	104	3.91	.068	.698	.488	-.230	.237	-.059	.469
BCB2	104	3.67	.063	.645	.416	.431	.237	-.679	.469
BC1	104	4.01	.066	.675	.456	-.204	.237	-.161	.469
BC2	104	3.99	.066	.675	.456	-.374	.237	.398	.469
MC1	104	3.12	.052	.534	.285	.116	.237	.369	.469

	N	Mean		Std. Deviation	Variance	Skewness		Kurtosis	
	Stat	Stat	Std. Error	Stat	Stat	Stat	Std. Error	Stat	Std. Error
MC2	104	2.93	.062	.627	.393	-.192	.237	.274	.469
PE1	104	2.98	.068	.696	.485	-.502	.237	.610	.469
PE2	104	2.90	.078	.795	.631	-.417	.237	-.141	.469

Source: SPSS

The descriptive statistics show that the data are generally within the acceptable parameters of normality. This indicates that the data set can be further analyzed. The summary of the respondents' characteristics are as follows;

1. Approximately 58% of respondents are female.
2. Approximately 69% of respondents are at least 35 years old or younger.
3. Approximately 40% of respondents are residing in the suburban areas of Jakarta, and approximately 25% of respondents are residing within the city limit of Bandung.
4. Approximately 52% of respondents are holding at least undergraduate degrees.
5. Approximately 57% of respondents are at least holding the supervisory level positions.
6. Approximately 81% of respondents are earning less than Rp. 10 million per annum.

Table 17: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.750
Bartlett's Test of Sphericity	Approx. Chi-Square	2593.667
	df	703
	Sig.	.000

Source: SPSS

The above table shows the level of validity of 75%. The following table indicates that the data in this study is considered 88.4% reliable for all 38 statements used in the questionnaire.

Table 18: Reliability Statistics

| Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.882	.884	38

Source: SPSS

With the combination of 75% validity and 88.4% reliability, further process on data analysis can be performed. From the AMOS results, as shown in Figure 19: AMOS Output, the summaries can be drawn as follows;

1. Transformational leadership negatively influences product innovation as much as 16%. Among the indicators used to approximate the transformational leadership, the inspirational motivation shows the strongest explanatory power of about 89%. This result means that to create a successful transformational leadership inside organizations, inspirational motivation may have to be learnt, formulated, and implemented.

2. Transformational leadership positively influences internal branding as much as 54%.

3. Transformational leadership negatively influences electronic word-of-mouth as much as 3%.

Figure 19: AMOS Output
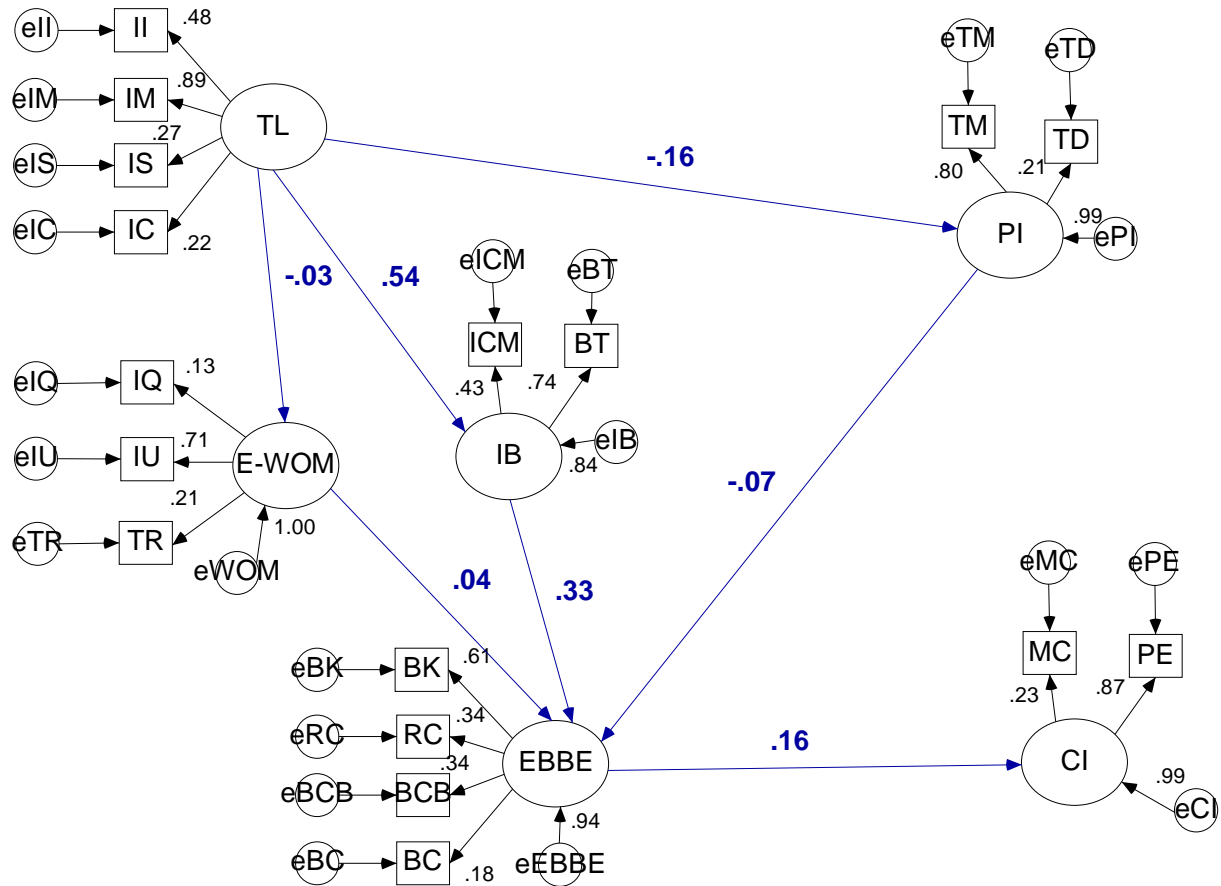
4. Product innovation negatively influences employee-based brand equity as much as 7%. Among the indicators used to approximate product innovation, the focus to short-time to market has the strongest explanatory power of about 80%.This result means that successful product innovation relies on time to market. This simply means when organizations disregard the importance of time to market, the results of product innovation may not matter. Ironically, the average-quality product innovation may excel as long as organizations introduce the product immediately. This result means that the highest quality of product innovation may actually be wasted when organizations delay the introduction of products. What had happened with the accumulated sales on Daihatsu Sirion may mirror this statistical result. When Daihatsu Sirion was first introduced in 2007, unfortunately it must directly compete with Honda Jazz, Toyota Yaris, and Suzuki Swift. Coupled with the limited numbers of imported Sirion from Malaysia, similar price, and similar engine size, perhaps, this may be the cause of relatively low sales of Daihatsu Sirion (Arianto, 2010). Should the introduction of Daihatsu Sirion be conducted much earlier than the competitors, it may claim its spot as the first hatchback competitor to Honda Jazz. The accumulated sales of Daihatsu Sirion may have been different.

5. Internal branding positively influences employee-based brand equity as much as 33%. Among the indicators used to approximate internal branding, brand training has the

strongest explanatory power of about 74%. This result means that to have the internal branding, organizations must ensure the proper and regularly-scheduled brand training. At the very least, brand training may boost employees' awareness toward company's brand. The awareness may eventually lead to internal brand building.

6. Electronic word-of-mouth positively influences employee-based brand equity as much as 4%. Among the indicators used to approximate electronic word-of-mouth, informational usefulness has the strongest explanatory power of about 71%. This result means that to create a successful electronic word-of-mouth, the management may have to focus on the informational usefulness. Undoubtedly, the informational usefulness should be carefully approximated from the public perception, and not from the management perspective alone. This may be easier said than done. At least, this conforms to the studies on effectiveness and efficiency on corporate portal and search engine (Kosasih & Anantadjaya, 2008; Perera, Anantadjaya, & Nawangwulan, 2013).

7. Employee-based brand equity positively influences customer intimacy as much as 16%. Among the indicators used to approximate employee-based brand equity, brand knowledge has the strongest explanatory power of about 61%. This result means that the management needs to focus on improving the employees' brand knowledge. With the higher employees' brand knowledge, this result shows that employee-based brand equity may improve accordingly. Concerning the customer intimacy, in the same fashion, among the indicators used, perceived one-to-one interaction has the strongest explanatory power of about 87%. This result means that one-to-one interaction is vital to boost the level of customer intimacy. Hence, though personal interactions may push organizational cost upward, it appears that the management may have to ensure such existence.

From the AMOS results, it is obvious that internal branding requires the presence of transformational leadership, and the creation of employee-based brand equity requires the presence of internal branding. Though the levels of influence are expected to be much higher, at least this provides a clear path for the management on what to do when they need to create internal branding and employee-based brand equity. It should be noted though since the level of influence of the transformational leadership toward internal branding is a mere 54%, the formation of internal branding may be influenced by both transformational and transactional leaderships. Also, since the level of influence of internal branding toward employee-based brand equity is only 33%, the management may have to investigate further other influential factors on the formation of employee-based brand equity.

Based on the level of validity (75%) and reliability (88.4%), the data set is regressed using Minitab.

Table 19: Regression Equation

CI = 1.20 - 0.004 II + 0.059 IM - 0.011 IS + 0.127 IC + 0.188 TD - 0.0887 TM+ 0.201 ICM + 0.100 BT + 0.057 IQ + 0.465 IU - 0.060 TR + 0.214 BK- 0.224 RC - 0.091 BCB - 0.312 BC

Source: Minitab

From the above regression equation, it is apparent that the level of customer intimacy, when all other variables are zero, or non-existence, is at 1.20. This indicates that without any

presence of other variables, customers are relatively intimate with the hotels, cafes/restaurants used as samples in this study. With such a positive level of customer intimacy at the starting point, the initiations of other variables are expected to increase the level of customer intimacy into years to come.

With the level of p-value, the table of analysis of variance confirms that the regression equation is appropriate to use in this study.

Table 20: Analysis of Variance

Source	DF	SS	MS	F	P
Regression	15	9.7220	0.6481	2.75	**0.001**
Residual Error	95	22.3804	0.2356		
Total	110	32.1025			

Source: Minitab

The results from Minitab, the constants are used in the following Powersim modeling to see the impact of potential delays in the implementation of the variables simultaneously in accordance with the research model.

Figure 20: Powersim Modeling
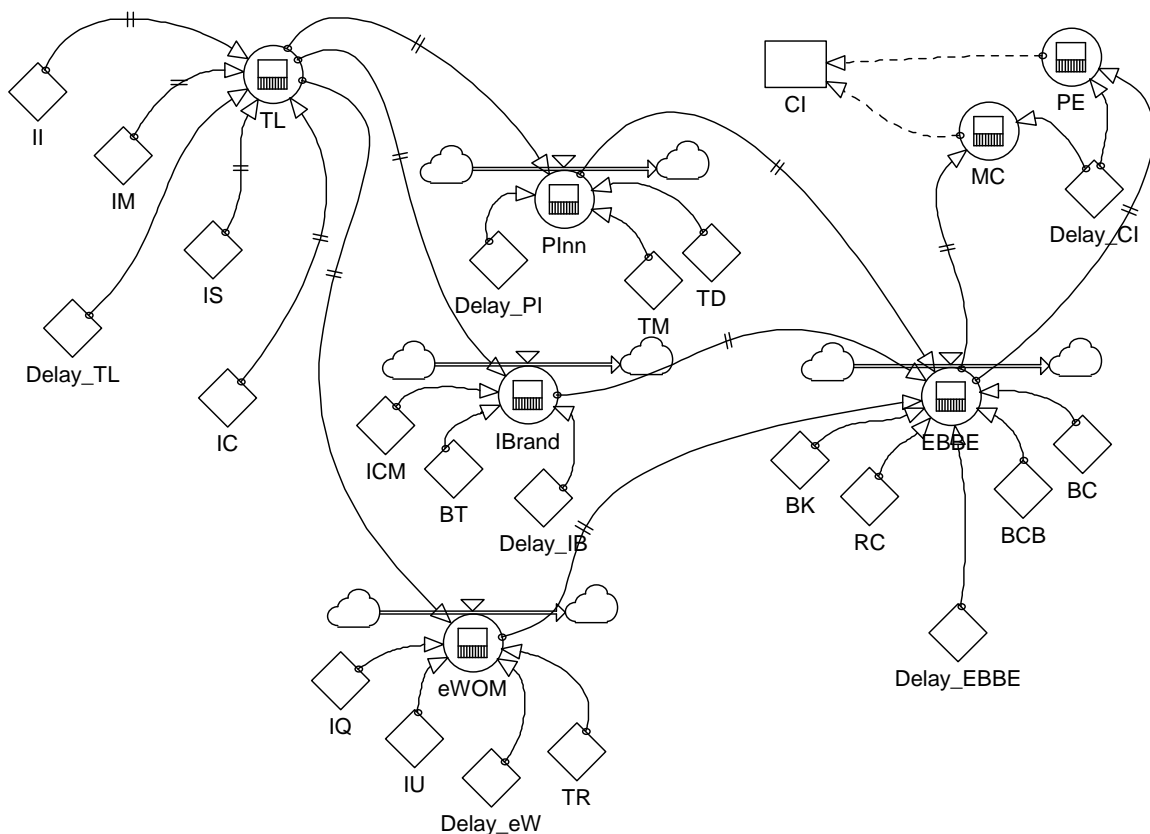
Source: Powersim

Though Powersim may not be originally intended to be used in conjunction with questionnaires' responses, and without the "beginning balance" of "stock", with a bit of modifications, the simulations of relationships with potential delays on each of the variables,

show the possibilities of influential degrees over time. Some of the assumed delays for simulation purposes are set as follows;

Table 21: Assumptions for Delays

Variables	Delays	Reasons& Explanations
Transformational Leadership	75%	A relatively pessimistic estimated delay to see the actual impact of transformational leadership in organizations since there are tendency of frictions and unwillingness to change. This means that the overall impact of the chosen indicators (idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration) used to approximate the transformational leadership are delayed. Hence, if the project is expected to be completed in 100 days, for instance, this delay adds 75 more days toward completion.
Product Innovation	95%	A relatively pessimistic estimated delay to see the actual impact of product innovation in organizations since it takes considerable amount of time to start the entrepreneurial spirit and creative thinking among employees. This means that the overall impact of the chosen indicators (technological drive, and focus on short-time to market) used to approximate product innovation are delayed. Hence, if the project is expected to be completed in 100 days, for instance, this delay adds 95 more days toward completion.
Internal Branding	90%	A relatively pessimistic estimated delay to see the actual impact of internal branding inside organizations since it takes considerable amount of time to channel through the organizational branding among employees. This means that employees and all members of organization must believe on the organization-wide branding. This means that the overall impact of the chosen indicators (internal communication, and brand training) used to approximate product innovation are delayed. Hence, if the project is expected to be completed in 100 days, for instance, this delay adds 90 more days toward completion.
eWOM	87.5%	A relatively pessimistic estimated delay to see the actual impact of eWOM inside organizations since it takes considerable amount of time to set up the necessary infrastructure and get the words out to all employees to start acting on their beliefs toward the company's branding. This means that employees and all members of organization must believe on the organization-wide branding first. Once those employees and all members of organization believe in the company's branding, the occurrence of WOM may follow. Once the necessary technology and electronic infrastructure are in-place, eWOM may soon follow. This means that the overall impact of the chosen indicators (information quality, information usefulness, and trustworthiness) used to approximate eWOM are delayed. Hence, if the project is expected to be completed in 100 days, for instance, this delay adds 87.5 more days toward completion.

Variables	Delays	Reasons& Explanations
EBBE	75%	A relatively pessimistic estimated delay to see the actual impact of EBBE inside organizations. As employees have undergone the internalization on eWOM, internal branding, and spirit toward product innovation, EBBE may be created. This means that the overall impact of the chosen indicators (brand knowledge, role clarity, brand citizenship behavior, and brand commitment) used to approximate EBBE are delayed. Hence, if the project is expected to be completed in 100 days, for instance, this delay adds 75 more days toward completion.
Customer Intimacy	15%	A relatively optimistic estimated delay to see the actual impact of customer intimacy inside organizations. As the spirit toward product innovation, internal branding, eWOM, and EBBE have likely occurred and established inside organizations, customer intimacy may able to be realized in shorter time. The realization of the customer intimacy may not take considerable amount of time as employees have better understanding on the company's branding. This means that the overall impact of the chosen indicators (mass customization, and perceived one to one interaction) used to approximate customer intimacy are delayed. Hence, if the project is expected to be completed in 100 days, for instance, this delay adds 15 more days toward completion.

Source: Powersim

Based on the above assumptions, the following simulations are run in Powersim. The possible simulations in Powersim can be run in 4 different modes; base-line, distributed, stacked, and normalized.

Figure 21: Base-Line Simulation vs. Distributed Simulation
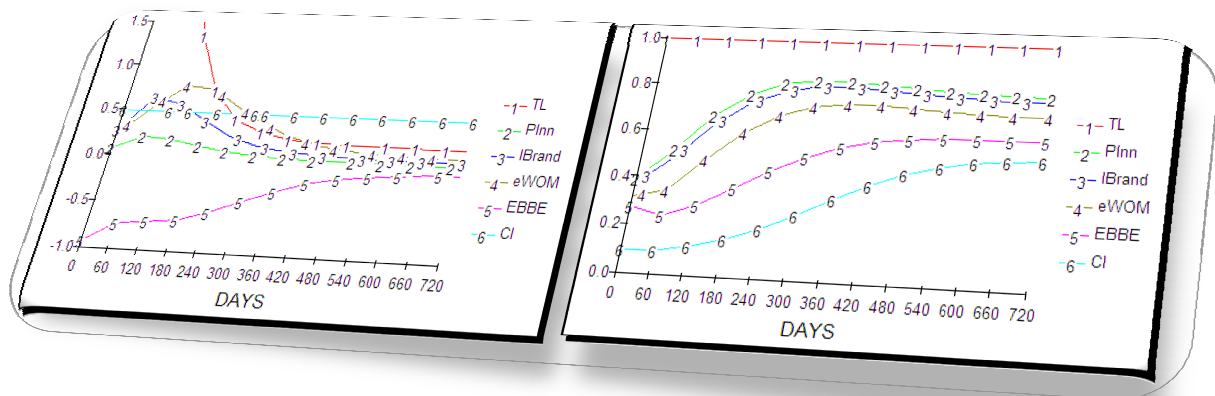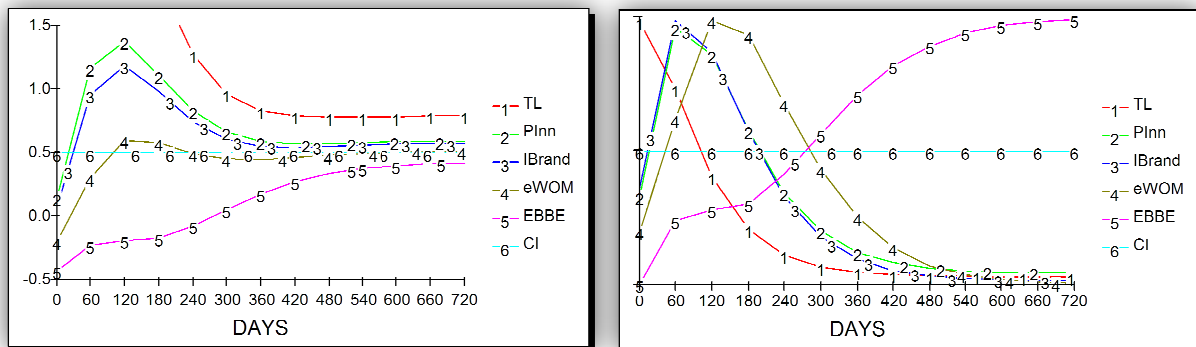

Source: Powersim

From the base-line simulation over 720 days, as shown in the graphical illustration on the left, it is apparent that the presence of transformational leadership influences the other variables used in this study. This can be clearly seen in the general upward movements of the lines.

Over time, as the transformational leadership remains implemented, the domino-effects on other variables start. As illustrated, product innovation, internal branding, and eWOM may not be drastically influenced. Nonetheless, substantial impact can be seen from the increasing line on EBBE. In the base-line simulation, as shown on the left graph, the general upward movements of the lines may not be clearly visible as each one of the lines originate from its starting/base line. The general upward movements, however, are confirmed in the distributed simulation, as shown in the graph on the right. The positive upward trends may signal the positive influential distribution of the domino-effect from transformational leadership into product innovation, internal branding, eWOM, EBBE, and eventually the customer intimacy. As shown, the level of customer intimacy rises with the presence of product innovation, internal branding, eWOM, and EBBE.

The stacked simulation provides a better illustration on the degree of the general movements of the lines. In approximately 1 year, the product innovation, internal branding, and eWOM are relatively closing into each other, along with the smoothing-out of the lines, which represents the transformational leadership. This may be translated as the maximum period of influence of the product innovation, internal branding, and eWOM inside organizations, under the watchful efforts on transformational leadership. Beyond this maximum period of influence, management may have to maintain and monitor the existence and presence inside organizations to ensure the upward trend of the EBBE as well. As shown, it takes approximately 2 years for EBBE to form among employees.

Figure 22: Stacked Simulation vs. Normalized Simulation

Source: Powersim

The normalized simulation provides a much clearer illustration. About 300 days are needed to place the transformational leadership style inside organizations. For the creation of product innovation and internal branding, it takes approximately 420 days. On about the 500th day, eWOM is in-place. Together, product innovation, internal branding, and eWOM contribute to the higher level of EBBE, which may appear to be reaching its maximum at the 600th day. As shown, EBBE continues to increase up to the 60th day before it levels up. EBBE jumps again on the 180th day before it levels up again toward the 720th day. This indicates that EBBE has the potential to be in-existence inside organizations along with the implementation of the transformational leadership. The normalized simulation shows that the management needs to keep the transformational leadership for about 2 years to ensure the higher level of EBBE[5].

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[5] The higher level of EBBE may also be translated to as a stronger EBBE. The higher/stronger EBBE means that (1) employees may have

The illustration between transformational leadership and EBBE, as shown in Figure 23: Transformational Leadership & EBBE, shows that the management needs extraordinary efforts to push for transformational leadership inside organizations to induce the formation of EBBE. An index-scale of more than "3" is required to jump start the transformational leadership style in-place within the organizational walls. Using the known Likert's 5-scale, for instance, an index of "3" may not appear to be high, as it is only the third step up. However, though "3" is the mid-way in the scale, the condition of "neutral", which may often referred to as "indifferent", it may not be easy to create since both sides on "agreement", usually on scale 4 and 5, and "disagreement", usually on scale 1 and 2, should have the same strength of influence. To have the same strength, the conditions on "agreement" and "disagreement" must both be convincing, including prevalent in the real situations and conditions. Nonetheless, inside organizations where differences and dynamics occur among employees, even initiating the first step toward agreeing or disagreeing on the leadership style may be enormously difficult. For instance, when a new leader was appointed, his or her leadership style may be leaning toward the authoritarian leadership. The authoritarian leadership may well fit the organization that s/he is currently leading. However, the opposite could also be possible. When the leadership style preferred and/or chosen is unfit with the organizational culture, the management may likely encounter high resistance and skepticism. When the leadership style preferred and/or chose is fit with the organizational culture, for instance, resistance and skepticism may still evident. This may be particularly true when senior officers and/or "long-timers" are in disagreement with the leadership style.

The index-scale shown in the following illustration is relatively much higher than other scales in all of the previous graphs. This may also signal the level of difficulties for the management in initiating the transformational leadership.

Figure 23: Transformational Leadership & EBBE
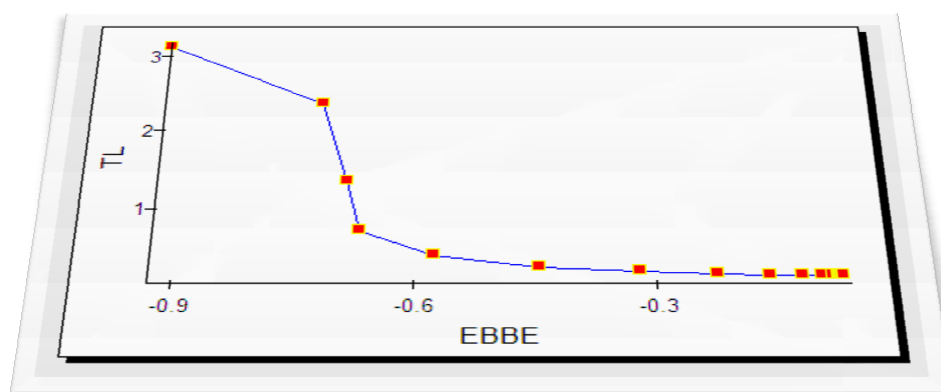
Source: Powersim

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better brand knowledge, (2) employees may know better about their roleswithin the organization, (3) employees may have started showing their brand citizenship behaviors, and (4) employees may have started showing their commitments toward the company's brand. Generally speaking, any increase in one of the four dimensions above, may likely signal higher/stronger EBBE. Hence, the management may have to find ways in enhancing all of the four dimensions.

V. CONCLUSION & RECOMMENDATIONS

With the data analysis above, the following conclusions and recommendations can be formulated;

Table 22: Conclusions and Recommendations

Conclusions	Recommendations
1. Transformational leadership negatively influences the processes and/or activities toward product innovation	Based on this result, and concerning the intention toward product innovation, companies may need to focus on other leadership styles. As a direct opposite of the transformational leadership, perhaps, the transactional leadership serves as a better style in ensuring the proper systematic steps onto the whole processes and/or activities pushing-forth for product innovation initiatives. Nonetheless, other leadership styles can certainly be considered. Future studies can incorporate different leadership styles, such as; authoritarian leadership, visionary leadership, situational leadership, charismatic leadership, transactional leadership, or other prominent leadership styles, to note the level of influence and/or explanatory power toward product innovation
2. Transformational leadership positively influences the level of internal branding	Concerning the intention to boost the level of internal branding, companies may want ensure the proper practice of the transformational leadership. Based on AMOS' explanatory power, the use of transformational leadership inside companies may likely increase the level of internal branding by as much as 54%. Hence, it is recommended that companies may want to initiate the soft skill-based managerial training on leaderships.
3. Transformational leadership negatively influences the formation of electronic word-of-mouth	Concerning the electronic word-of-mouth, and just like the intention toward product innovation, as explained above, perhaps, transformational leadership may not be the proper style to be incorporated inside companies. Leaders with actual skills and knowledge on electronic/technology may be required to lead the team in accomplishing the success of the electronic gadgetries. Hence, other leadership styles can certainly be considered in future studies. It is expected that other leadership styles may have higher explanatory power toward the formation of the electronic word-of-mouth, and the success stories that follows.
4. The processes and activities on the company's product innovation negatively influences the formation of employee-based brand equity	Concerning the relatively minimal value of only 7%, though the result indicates that product innovation may only be indirectly influence the formation of employee-based brand equity, however, the minimal value suggests that companies may still have to focus on any intentions and initiatives on product innovation. Hence, it is suggested that companies may pledge product innovation and encourage employees to keep working on it. The managerial pledge and encouragement may likely influence the employee-based brand equity, otherwise, in due time. With a focus on particular tangible products, the managerial commitment and encouragements could be considered as the variables on future studies.
5. The level of internal branding positively	Companies must understand the importance of internal branding toward the formation of employee-based brand equity. To do so, companies may want to focus on continuous brand training to all employees while strengthening the

Conclusions	Recommendations
influences the formation of employee-based brand equity	quality of internal communication among staff members. Hence, for future studies, details on brand training, including other indicators to approximate internal branding may be considered.
6. The formation of electronic word-of-mouth positively influences the formation of employee-based brand equity	Concerning the electronic word-of-mouth, companies may choose to disregard if the companies are striving for more solid employee-based brand equity. Aside from a mere 4% explanatory power toward the formation of employee-based brand equity, it appears that word-of-mouth, particularly the electronic-based, may influence public/consumers a lot more than employees of certain organizations. Hence, on one hand, future studies may exclude the presence of electronic word-of-mouth in the model to see the variation of influential level. On the other hand, future studies may include consumer behavior, particularly the level of intention to buy companies' products/services.
7. The formation of employee-based brand equity positively influences the level of customer intimacy toward the company's products/services	With this result, it is apparent that companies need to ensure the presence of employee-based brand equity as leverage toward increasing customer intimacy. Focusing on the perceived one-to-one interaction is deemed more crucial than stressing on mass customization. It is a clear indication that personalized approaches are more advantageous. Hence, future studies may want to focus on personalized efforts to note the impact toward the level of customer intimacy.

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