The Brand Inside

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James Brooke, Maritz, examines how major service corporations ensure that their employees are 'on message' about the brand.

A CEO enters the HR department and enquires of the HR Director 'How's your team getting to grips with our new brand positioning.' The HR Director responds confidently, that there's 'no problem' and that 'every piece of paper emanating from HR has the new logo on it. 'We really heard this, but senior execs in major corporations should not feel smug after reading it. Our research shows that, frequently, there is still little shared understanding of the role and purpose of a brand inside an organisation – often brand understanding is limited to observing a logo. It is also seen as – almost exclusively – the remit of marketing, or marketing and the ad agency. More than once we heard the in-house custodians of the brand described as 'logo-cops'.

Sony is Japan's most valuable brand. Ask people how this brand was built and they will not talk of advertising, strap-lines, or powerful corporate identities. Sony was built by consistently doing the right things and delivering the right products. These activities were, in turn, guided by a cohesive culture and enduring set of values.

This bears out something that many Marketers have sensed intuitively for sometime: That great brands are built from within.

How senior executives see the brand inside

Maritz was sponsored by the Chartered Institute of Marketing to understand senior management perceptions of the role of the brand inside the organisation and the relative importance of employees as an audience of the brand

We undertook an original piece of research to identify the habits and practices of companies who achieve a good fit between their brand promise and the way in which their people think, feel and act.

The study took the form of twenty face-to-face interviews with senior executives from twenty well known large organisations. We took a spread of respondents across the disciplines of Marketing, Communication and Human Resources, all at board-of-director level or equivalent. Each interview lasted 60 to 90 minutes and followed the same structure.

Companies who have participated include: Barclays and HSBC in financial services, McDonalds and Whitbread in Leisure, Safeway and Tesco in retail, and Unisys and Xerox in IT.

It seems that there are two consistent philosophies held by the companies that have been most successful in building their brand equity:

They view their brand as a central organising principle, which ensures that all practices and processes are aligned.

They recognise that, just as brands should be unique and differentiated, the internal practices and processes that support the brand should be differentiated and unique to the organisation.

Internal practices should be as unique and differentiated as the brand

Disney and Nike were frequently cited as companies who were seen to successfully 'live the brand'. Both have their own language and modus operandi, reflecting the brand image inside the company. This covers both symbols and practices.

Employees at Nike's head office will be familiar with the Nike Walk of Fame, which reminds employees of the company's heroes and role models. Disney has its own language: Customer facing staff are called 'cast members' and shifts are referred to as 'performances'.

McDonalds, currently rated by Interbrand as one of the world's top ten brands, aligns symbols and practices to its outward facing brand. Team members are known as 'crew' and team briefings are called 'rap sessions'. Founder's day once a year reminds employees of the company's heritage.

A company may adopt some generic best practices, just as there may be generic elements to a brand, but in essence it is as important to have unique and differentiated processes and practices as it is to have a brand that is unique and differentiated.

Recruitment and induction are key to shaping internal culture. TGI Fridays were pioneers of using innovative techniques for recruitment. Interviews were dubbed 'auditions' and often the candidate would have to perform on the trampoline while answering questions.

Also a leading US Restaurant chain which had changed its recruitment process for waiting staff, by introducing the practice of having customers participate in the interviews, and take a view on the candidates by who they best felt they would like to be served.

HSBC and Hewlett Packard offer prime examples of the benefits of making sure that all organisational practices and processes are aligned to the brand.

Multitude transactions

HSBC is rated as the UK's most admired bank (Management Today survey November 2001). A decade ago under the Midland Bank branding, it had one of the poorest images in the sector. Keith Brown, HSBC's Head of HR Strategy explains that the rapid improvement in the Brand image cannot be solely put down to advertising, in fact the company has not put a major emphasis on above-the-line campaigns. He says 'The strengthening of our brand image has come about because we have put the emphasis on the multitude transactions between ourselves and our customers'.

ClearWater is the name given to the bank's philosophy of making sure that every practice and process, inside the bank, works to support this desired customer experience. This covers measurement, appraisal, training and communication. 'The philosophy is that if we can't show how it is ultimately going to help us deliver the desired customer experience then we shouldn't be doing it.' says Brown.

ClearWater succeeded because it is one initiative that covers all of the strategic thrusts of the company and makes sure that all processes and practices worked to support the brand. The existence of one over-arching theme is refreshing when so many organisations are suffering from 'initiative overload'. ClearWater has no underlying strap line: it is understood across the organisation that it covers everything necessary to 'put clear water' between HSBC and its competitors.

Ian Ryder, director of marketing communications at Unisys (previously of Hewlett Packard) instilled his belief that 'customer loyalty comes from brand values, delivered at moments of truth, through people'. At HP, every managerial practice was tested against its contribution to delivering the brand values at the moment. Before authorisation was given to invest in training for example, the influence on the brand was always a key criterion in making the decision. Ryder emphasises that this applied as much to investment in technical training as it did to softer behavioural training such as customer handling skills.

Where a drive to rally the organisation behind the brand succeeds, it is not treated as a new initiative. Rather it is positioned as an umbrella coordinating and pulling together all other practices, processes and initiatives so that they are all coherent and focused on the same purpose.

Every new initiative increases complexity, which hinders communication and focus. Many respondents complained of being 'bombarded' or 'over-whelmed' with internal 'junk mail'. As consumers they are bombarded outside work with advertising messages. Companies risk creating the same cacophony inside the organisation.

Clearwater works because of its singularity. It covers everything – but to a single consistent end.

An 'inside-only' brand?

There is compelling evidence that the brand has a powerful, often overlooked, role inside the organisation. But could there be an example of a powerful and valuable brand that functions solely on the inside and has no outward facing role?

When Whitbread sought to revive its under-performing Beefeater chain it took restaurants in wealthier neighbourhoods and undertook research to understand how to reposition the brand to appeal to more affluent customers. It discovered that these customers particularly disliked branded eating out experiences.

So Whitbread launched a brand with no branding. Out-and-Out is a restaurant chain positioned to compete with upmarket neighbourhood restaurants; however, it has minimal external branding. Out-and-Out is a purely internal-facing brand, to rally the staff around a set of standards, values and behaviours. Décor and service style is consistent; staff dress is consistent, although there is no uniform (Whitbread calls it an 'Out-of-uniform uniform'). Since converting from Beefeater, Out-and-Out restaurants have experienced a 20% uplift in like-for-like sales.

Clearly, brand management is inextricably linked to organisational behaviour and attitude. Mark Waller, Manager, Brand and Specialist Communication for Renault UK, sums it up: 'Brand Management is essentially about Culture Change.'

This poses questions: Can Marketers be shapers of culture? More fundamentally, should marketers be focused on building brand equity or doing brand communication? We believe that if marketers are not addressing these issues, they are operating in yesterday's paradigm.

Marketing departments are in of becoming disengaged

Our research suggests that too frequently marketing departments are becoming marginalized when it comes to the question of who really takes responsibility for building the company's brand equity.

As one respondent told us 'If you talk to most managers in the company about our brand they would consider this to mean the things we stand for. If you talk to the Marketing department they would probably be more likely to see our brand in terms of our brand identity.'

Too frequently marketing departments are in danger of becoming disengaged with the rest of the company. There is increasing recognition that brand management requires a holistic approach which actively engages all parts of the organisation, including operational and supply chain roles. Our findings suggest that marketing is failing to take a lead in this, and is often seen as being proprietorial of its own professional turf.

Ryder points out that, as Marketers we often do not help ourselves by being seen to invent new jargon. 'Imagine if Accountants were to change the terminology they use every couple of years. People would soon stop taking them seriously. Why should we be any different? We had just got our colleagues used to the idea of brand management when people started saying "its not about that anymore, its all about CRM now"'.

Some principles

As a start, we have attempted to distil a number of guiding principles, for Marketing teams looking to build brand equity, in an environment where the engagement of employees is crucial.

Use plain language

Some progressive companies avoid using the word 'brand', because this has connotations of jargon or marketing fads.

Charles Carr, Head Of Internal Communications, at BAe Systems says: 'The term 'brand' still muddies the waters. What we are focusing on is essentially brand management by any other name. We have stated to talk about 'delivering what we say we are going to deliver' as the route to shareholder value.'

Or as Fraser McDonald, Head of Communication for Tesco puts it: 'We decided to be clear about the brand and cut through the waffle, we now talk about 'what the customer experience is really like".

Run at the same pace internally and externally

Brand repositioning often falters when changes on the inside of the company do not keep pace with the new messages about the brand sent to the external market-place. Companies need to learn to run at the same pace internally as well as externally. For example a retailer sent a family-friendly message towards its consumers without introducing family-friendly policies for its own staff. Crèche facilities were very limited and not extended to all working mothers.
To its credit the company recognised this and acted fast, to preventing the risk of disillusioned staff acting as terrorists towards the brand.

Lee Cloete who was Management Development Manager at Safeway, recalls a similar experience when Carlos Criado-Perez, the new charismatic CEO started the transformation of the company:

'When Carlos entered with a great deal of drive and enthusiasm, things improved greatly, but there was still always a very real danger of talking a great story to the outside world before you have got things right internally.
We were in danger of creating dissonance among our customers and staff.'

Prioritise your internal audience

When Barclays repositioned its brand for the first time in thirty years, it was meticulous about running at the same pace internally as well as externally. The fact that it had the infrastructure in place to communicate with staff helped to deal with potentially very negative PR.

Barclays has recently greatly improved its image (in a survey by Euromoney in July, BarclayCapital was voted the most improved investment bank).This was a rapid turnaround from the demoralising PR that the bank had suffered in recent years. As Barclays sought to reposition its brand, it made a major investment in communicating with its own staff, recognizing that success was ultimately all down to their ability to deliver the desired customer experience. Success was attributed to the fact that staff and customers were given equal emphasis.

Malcolm Hewitt, UK Director of Sales and Service would even recommend taking this a step further. He maintains that, from experience, if there were one thing the bank would have done differently it would be to put their own staff first in the communication plan, before any communication went out to customers. Following communication about the brand to staff, Barclays saw a measurable improvement in staff satisfaction from its own staff opinion survey.

Bring your customer to life

Delivering the desired brand experience is ultimately down to employees. But it is impossible to legislate for every possible scenario with which your customers may challenge your employees. It is essential to build a deep intuitive understanding of the customer in the minds of all employees. This applies not only to customer-facing staff. Anyone who, no matter how indirectly, has an impact on the customer's experience of the brand, needs to share in this intuitive understanding of the way the customer relate to it.

Guinness, is one of the world's best-known brands. Some years ago it was felt that some of the vibrancy had gone out of the internal culture. It was felt that all managers at all levels should feel a real, deep sense of connection with the Guinness brand and the product. Guinness undertook market segmentation research in a way that really brought to life its key customer types, who they were, their values and aspirations, and most crucially, how they related emotionally to the Guinness brand.

It then ran 'consumer connect' sessions to which all of its people were invited. These sessions were run during lunch time at Guinness's office they were fun and interactive and invited consumers in to meet with Guinness managers and discuss their value, aspirations and ways in which they related to the brand. The sessions were high-energy, fun and interactive. Guinness also introduced brand-dunking exercises where managers would get out and meet with consumers in pubs and clubs.

Making it physical

Senior executives of a leading insurance company were discussing ways to enhance the energy and enthusiasm around broker service and broker satisfaction. It was felt that if they could create greater urgency, focus and fun in their offices, service to the broker would improve, as the relationship with the broker improved. One of the team pointed out that more of a 'buzz' always seemed to be created in the retail or restaurant sectors, than in something less tangible and more removed from the customer, such as Insurance. After discussion the team concluded that the crucial factor was that in a shop or restaurant staff are physically closer to the whole theatre of the customer. It was felt that teams would benefit, from a physical embodiment of the brand experience.

The solution was quite off-the-wall. In some offices there would be a small-scale model of the broker's office together with model people to represent the broker and the broker's staff. This introduced a tactile element to team meetings. The model of broker could have arms raised if particularly happy or be prostrate on the floor if particularly unhappy. The senior managers observed a notable difference in office where discussions about broker satisfaction took place around the mock up of the model there was a greater sense of urgency, fun and involvement.

It is no coincidence that many leading brands are creating physical spaces to embody the brand: The Guinness Storehouse in Dublin or the Café L'Atelier in Paris, for Renault.

Communicate in a high-participation style

Communication to internal audiences should be given as much emphasis as communication to consumers. However, it does not follow that these two audiences should be treated in the same way. We would posit that employees are not simply an internal version of consumers. Attempts to communicate to them in the same style and tone as one would use for an external campaign, will break trust and rapport and will almost certainly be inefficient.

No matter how great the production values, communication that is delivered in a one-way passive style is ineffective. Psychologists tell us that employees learning about the brand in a high-participation style will be accessing the frontal cortex of the brain. They will therefore be learning a more profound way.

A recent study from the Post Office showed that messages delivered in a high participation style had four times the absorption rate among the audience. Put in the converse, the point is even more striking: If your brand communications are not high-participation, you are probably 80% inefficient.

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