Financial Marketing

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Bringing the brand back home - A study has revealed that if a brand is to be successfully adopted internally there are many essential factors which seem simple but examples show they can be difficult to get right.

Maritz was sponsored by the Chartered Institute of Marketing to consider the living the brand bandwagon and get a sense of what is hot air and what genuinely drives the business agenda – and of course does any of this really matter to the bottom line anyway?

It 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 people think, feel and act.

The study took the form of an initial piece of desk research, auditing every text available on the subject, followed by twenty face-to-face interviews with senior executives from twenty well-known large organizations. It took a spread of respondents across the disciplines of marketing, communication and human resources, all at board director level or equivalent.

Respondents were from a range of sectors, including financial services and were asked to relate anecdotes, both good and bad, about living the brand. They were also asked for examples of good and bad practice that they had come across.

The HSBC experience

HSBC is rate 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 considers 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 the above-the-line campaigns. Brown says, 'the strengthening of our brand image has come about because we have put the emphasis on the multitude of transactions between ourselves and the customer'.

HSBC has focused on plain language to achieve this. Inside the organisation people now try to avoid marketing jargon and talk in terms of 'the experience that the customer really wants'.

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. Brown states, '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'.

Many people within the financial services sector, who took part in the research rate HSBC as a star performer. One comments, 'HSBC has really got its act together quietly and without fuss'.


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Clearwater was seen to be a success because it is one singular initiative that covers all of the strategic thrusts of the company and makes sure that all processes and practices worked to support the brand. It is not pigeon holed into a single department or discipline. The existence of one over-arching theme was seen to appeal when so many organizations are suffering from 'initiative overload.'

Interestingly, Clearwater has no underlying strap line to explain it. It is simply understood across the organisation that it covers everything that needs to be done to: 'Put Clearwater between us and out competitors'.

Lessons learnt

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 co-ordinating and pulling together all other practices, processes and initiatives so that they are all coherent and focused on the same purpose. Introducing new initiatives increases complexity. Increased complexity hinders communication and organisational focus.

Many employees who responded to the research complained of being 'bombarded' or 'overwhelmed' with internal 'glossies' or 'junk mail'. These employees are bombarded, as consumers outside work with continual and persistent advertising messages. It seems that companies are in danger of creating the same cacophony inside the organisation. Clearwater, in contrast, works because of its singularity. It covers everything but to a single and consistent end.

Internal and external pace

Brand repositioning often falters when changes on the inside of a company do not keep pace with the new messages about the brand sent to the external marketplace. Companies need to run at the same pace internally and externally.

One large financial services firm included 'progressive' as one of its values. At the same time employees complained of being unable to send or receive e-mails from customers because systems were so antiquated. Naturally, this became an opportunity to use the brand values as a stick with which to beat the company.

To its credit the company concerned had the mechanism in place to listen to this feedback. The problem was made a priority to fix. This is a key function of the brand values, providing a framework to set the organisation's priorities against.

When Barclays sought to reposition its brand for the first time in 30 years, it was meticulous about running at the same pace, internally as well as externally. As events transpired, the fact that it had put in place the infrastructure to communicate with staff helped it to deal with potentially very negative public relations in the outside world.

Barclays was voted the world's most improved bank recently in a survey of readers carried out by a worldwide banking magazine. This was a rapid turn around from the demoralizing PR that the bank had suffered in recent years.

As Barclays launched its advertising campaign based on the 'Big' theme the media was awash with criticism of the bank. Either for closing branches or introducing ATM charges. Negative stories damaged morale.

Barclays sought to reposition its brand and it made a major investment in communicating with its own staff, recognising that success was ultimately all down to their ability to deliver the desired customer experience. In fact, success was attributed to the fact that staff and customers were given equal emphasis.

Malcolm Hewitt, UK director of sales and service at the bank 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.

Barclays measured the effectiveness of its brand communication to staff. A quantitative survey, tracking the attitudes of those who had attended the brand communication event, showed an improvement on the 'Teamwork and Leadership' index of 18 percentage points.

Internal practices should be as unique and differentiated as the brand. 'Living the brand' maybe characterised by an internal language and modus operandi, reflecting the brand image inside the company. These factors cover both symbols and practices such as communication. An example is Disney, where staff are called 'cast members' and shifts are referred to as 'performances'.

Practices and processes

Indeed the research suggests that building a truly world-class brand requires a company to make sure that all of its internal, processes and practices and symbols, fit with its brand values. A company may adopt some generic 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.

This requires taking a look at practices such as induction, recruitment, appraisal and reward systems. If these practices are generic or 'off-the-peg', it is likely that they will struggle to differentiate their brand through their people.

This means that if the company's brand is playing the role it should in creating value for the company, it should be viewed as a simple cohesive framework for organizing all of the internal practices and processes and making sure they work towards creating the desired customer experience.

For example, meetings are an important ritual through which one can observe the predominant culture of the organisation. Conversely, if one seeks to change the culture, the ritual of meetings is often a good place to start.

Recruitment and induction are highlighted as important levers to shape internal culture. After all, customer service culture is largely a factor of the people you bring to the company. Again, the obstacle seems to be an attitude that seeks to value generic best practice ahead of practices that could be uniquely owned by the organisation and could therefore help to differentiate in terms of both culture and brand.

It appear that where cultural change is successful is characterised by leadership being bold enough to dispense with conventional wisdom and try something different even if it is not tried and trusted. However this boldness still has to succeed in winning the 'buy-in' from the rest of the organisation. This will not happen if the ideas are seen as being borrowed and not uniquely owned.

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.

The solution at first seemed particularly off the wall. In certain offices there would be a model-sized mock-up of the broker's office together with model-sized people to represent the broker and the broker's staff. This introduced a tactile element to team meetings. The model of a broker could have an arm raised if particularly happy or be prostrate on the floor if particularly unhappy.

The senior managers observed a notable difference in the 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; the sort of characteristics that the team of senior executives had sought to create.

Brand and internal culture

The brand has a powerful – often overlooked role inside the organisaiton. IN fact, there are examples of a powerful and valuable brand that functions solely on the inside and has no outward facing role.

This poses a number of questions: can marketers be shapers of culture? And more fundamentally: should marketers be focused on building brand equity or doing brand communication?

In their book, The Seven Cultures of Capitalism, Fons, Trompenaars and Charles Hampden Turner identify a western model of running and organisaiton, which holds within it certain cultural assumptions.

One of these is that the locus of power and influence in any organisation tends to sit at the center. It is the role of the people at the center to develop plans and ideas and then to hand them down to be implemented by people in the field or at the customer interface. The residue of the culture is still very apparent in many of our leading organisations. People increasingly recognize the theoretical benefits of empowering people at the customer interface but progress was still felt to be held back by a 'head-office-knows-best' attitude.

But when executives are asked whether they have come across examples of corporations who regretted having given greater trust and latitude to employees there are no examples cited.

The explanations put forward for this make good intuitive sense. On the one hand staff, because they can make decisions, feel more valued and care more about the organisation and its customers. On the other hand decision-making is more 'fleet-of-foot'. The people who know the customer best can make decisions without having to refer upwards to somebody who is not as close to the customer.

The simple fact is, it appear, that in most cases head office simply does not know best. It has been pointed out by people knowledgeable about military history, that the single common characteristic of every great military disaster in history is the lack of an effective feedback mechanism. The more customer-facing staff are able to participate actively in the implementation of strategy, and the more efficient the 'listening mechanism' from the customer interface to the center, the more likely a company is to be delivering its desired brand experience.

This does not sit comfortably with most large organisations. The sociologist Max Weber, would still recognize many of today's organisations as being essentially run along the lines of a bureaucratic model. In this model the tendency is for power and influence to be centralized and for those at the center to be instinctively reluctant to let go.

The research came across the example of a large financial services company, which had recognized that its network of front-line managers across the country were an under-utilised resource. A project team put a plan together to involve them actively in the company's push for better customer satisfaction and quality. As such, they would lead the initiative on the ground, briefing teams, focusing on measures and helping teams to self-manage

However, the project teams were staggered by the degree of resistance to this plan by other head office personnel. It was suggested that the front-line managers could not be trusted and that this initiative was way too important to be left up to them. It was also suggested that when this had been tried in the past, this group of managers had not been up to it and that head office had to take back control.

In this instance, investing a modest amount of time and resource in training these managers for their role and winning their buy-in, supported by making them feel involved, was all that was required to make the initiative succeed and pay back the investment many-fold.

Where an organisation is structure to serve its head office it means the company is culturally facing the wrong way; inward looking, rather than outward looking towards customers. Any large multi-site corporation might ask whether it has a head office or a support center. The answer is indicative of the current state of the culture.

The tyranny of trade-off

So if increased latitude or empowerment leads to better performance, how come some of the world's most successful brands are highly formulaic and give people little latitude when delivering then?

On face value, increased empowerment of staff seems to run counter to the principles of brand management. Brand management requires resources always to be co-ordinated to a consistent standard. Empowerment suggests that everybody will be doing his or her own thing. The common response is that we require empowerment within a framework. Experience shows many corporations fail at their attempts to introduce empowerment because the strategies were badly implemented or badly thought through.

The 'empowerment within a framework' argument is often used to reverse empowerment and re-establish control. The power of language again is important here. By emphasising the framework, there are limits to people's empowerment.

In short, mediocre organisations tend to be stuck in the belief that there is a trade-off between empowerment and consistent delivery of the brand promise. And organisations with world-class brands recognize that this is not a trade off.

The practices observed of companies that achieve both high levels of empowerment and consistent delivery can be summarized as follows:

Build a deep intuitive understanding of your customer, their needs, wants concerns, values and lifestyle. This understanding should be shared not only across customer-facing stag, but also among all those who support customer-facing staff.

Build a shared understanding of desired brand experience and how it delivers customer value.

Emphasise trust. This is a two-way contract, employees, in our experience, are more than capable of accepting that with trust goes responsibility.

Emphasise what people must do, not what people must not do.

Building the business around the customer

Companies, who successfully 'live' their brand, do not see one single department as custodian of the customer relationship. They do not rely on market research data to inform their knowledge of the customer. They seek a profound understanding of the customer's lifestyle and values, and the ways in which the customer relates emotionally to their brand. They then seek to spread this understanding at an intuitive level throughout their organisation.

The research data 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. Too frequently, marketing departments are also 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.

Using plain language

The anecdotal evidence suggest that marketing departments are frequently failing to take a lead in this and they are often seen as being proprietorial over their professional turf.

A number of respondents also suggested that the use of jargon and buzzwords had undermined the credibility of marketing.

In fact, a number of very progressive companies in this field acknowledge that they are focusing on implementing brand management internally but avoid using the word ‘brand’, because this has connotations of jargon or marketing fads, or it is likely to lead to esoteric debates about the definition of the term. HSBC avoids talking about Clearwater as a brand-led programme as they feel that this positions it solely as a marketing driven initiative.

Eight key principles

From the research it is possible to identify eight key principles for any organisation seeking to create a world-class brand through its people.

Emphasise freedom not control.

Too frequently organisations seeking to deliver a consistent brand experience, they have to slip into control mode. Effective brand management requires the company to agree a number of steadfast principles, which will always form part of the brand experience. Beyond that, staff need to be trusted to get on with things.

Decentralise

Companies who succeed in delivering a desired brand experience, tend to roll back the frontiers of head office. The rationale: everybody, whether they be finance, operations or HR, has a deep understanding of the desired brand experience and this always remains paramount when making any decisions. For example, if somebody is pushing for a 2 percent increase in operating margin, he or she can weigh this up in the context of its likely effect on the brand.

Do things differently

Companies who build world-class brands emphasise processes and practices that are uniquely owned by them. They do not emphasise generic best practice.

Communicate brand positioning internally before you communicate it to your customers.

While many companies are finally recognizing the need to run at the same pace inside and outside the organisation, leading edge companies take this principle a step further. Brand management on the inside of a company outpaces the outward-facing elements of the brand.

This entails building an intuitive understanding of the brand among one’s own employees before communicating the brand promise to consumers.

Keep it simple

At HSBC, Clearwater works because it is one simple concept that covers everything to do with enabling the company to deliver the desired brand experience.

Operate across functions

The traditional organisational model, which has a department as custodian for the brand and a different department as custodian of the people, simply does not fit with world-class brand building. The most progressive companies increasingly work in a cross-functional way. This enables the company to look at the way in which the brand promise is deliver to customer in a holistic way. It also ensures the way people are hired, trained, measured and rewarded fits with the brand.

Leadership is naturally crucial in creating alignment across these different functions. Many respondents said that a brand-literate CEO is a big benefit in aligning the company to the brand.

Think longer term

Great brands are built over time. The average tenure of marketing professionals is becoming shorter and shorter. This is recognized as a problem. If brand-building companies worked on the same planning cycles as pharmaceutical companies when doing research, there would be more genuinely world-class brands.

Brand building needs to be viewed as a seven to ten year planning cycle as opposed to an eighteen-month planning cycle. HSBC markedly does not refer to Clearwater as a 'programme' as this suggests something finite. Keith Brown of HSBC says, 'we did not want to give people the impression that this year we are going to fix the brand and then move onto something else'.

Measure

Measurement focuses the mind and top performing organisations measure things that really matter to the brand. The crucial thing about measurement however is what happens to the results and the extent to which they are fed back to from line staff in the way that really drives actions.

HSBC, for example, is investing in developing sophisticated measurement systems to link employee satisfaction with customer satisfaction.