Selling the Brand Inside

You tell customers what makes you great. Do your employees know?

by Colin Mitchell

When you think of marketing, you more than likely think of marketing to your customers: How can you persuade more people to buy what you sell? But another “market” is just as important: your employees, the very people who can make the brand come alive for your customers. Yet in our work helping executives develop and carry out branding campaigns, my colleagues and I have found that companies very often ignore this critical constituency.

Why is internal marketing so important? First, because it’s the best way to help employees make a powerful emotional connection to the products and services you sell. Without that connection, employees are likely to undermine the expectations set by your advertising. In some cases, this is because they simply don’t understand what you have promised the public, so they end up working at cross-purposes. In other cases, it may be they don’t actually believe in the brand and feel disengaged or, worse, hostile toward the company. We’ve found that when people care about and believe in the brand, they’re motivated to work harder and their loyalty to the company increases. Employees are unified and inspired by a common sense of purpose and identity.

Unfortunately, in most companies, internal marketing is done poorly, if at all. While executives recognize the need to keep people informed about the company’s strategy and direction, few understand the need to convince employees of the brand’s power—they take it as a given. What’s more, the people who are charged with internal communications – HR professionals, typically—don’t have the marketing skills to
communicate successfully. Information is doled out to employees in the form of memos, newsletters, and so forth, but it's not designed to convince them of the uniqueness of the company's brand. The marketing department might get involved once in a while to tell employees about a new ad campaign or branding effort. But the intent usually is to tell people what the company is doing, not to sell them on the ideas.

We have found that by applying many of the principles of consumer advertising to internal communications, leaders can guide employees to a better understanding of, and even a passion for, the brand vision. Applying these principles enables employees to "live" the vision in their day-to-day activities. And when employees live that vision, customers are much more likely to experience the company in a way that's consistent with what you've promised. I'll outline the principles of internal marketing in the following pages.

**Principle 1**

**Choose Your Moment**

Most people have limited tolerance for change initiatives, and branding and visioning exercises are no exception. But at certain turning points, times when the company is experiencing some fundamental challenge or change, employees are seeking direction and are relatively receptive to these initiatives. Such moments can create either positive or negative energy — enthusiasm for new programs or unproductive rumormongering. Turning points are thus ideal opportunities for an internal branding campaign; managers can direct people's energy in a positive direction by clearly and vividly articulating what makes the company special. Indeed, we've found that internal branding efforts launched without the momentum such a moment can generate nearly always fail. Without a natural turning point, managers seeking to boost the brand internally may need to manufacture this kind of moment, perhaps by launching a new marketing strategy.

British Petroleum seized such an opportunity when it merged with Amoco and then ARCO. It rebranded itself as BP, redesigned its logo, and launched a campaign simultaneously to staff and the public declaring that it was going "beyond petroleum." The company repositioned its brand and put aside its identity as an oil company to become an energy company, moving from an old-style, closed corporation to an open, collaborative, new-economic venture. This break with the past gave employees from each of the original companies a new and distinctive identity. A survey that was taken after the internal branding campaign was launched showed that 76% of employees felt favorably toward the new brand, 80% were aware of the brand values that constituted the new brand messages, and a full 90% thought the company was going in the right direction.

The arrival of new leadership is another opportune moment for internal rebranding. Staff expect to hear from a new leader right away and are usually open to new ideas at such times. Carly Fiorina exploited this window when she took over Hewlett-Packard. She took a personal interest in the branding strategy and played an active role. To demonstrate her commitment, Fiorina appeared in launch commercials, which asserted that "the original start-up will act like one again." The company's new tag line, "Invent," became a mantra inside the company, and cofounder Bill Hewlett's garage, where he and Dave Packard made their first inventions, became a symbol in both internal and external communications. A new leader rediscovering the company's heritage released a surge of energy throughout the organization.

Similarly, when Arthur Martinez was named CEO of Sears in 1992, he took advantage of his new role to energize and focus employees, using marketing tools such as surveys, focus groups, and a new tag line to pull the company out of a sales slump. It worked: Sales picked up, and morale did, too.

But choosing your moment also means knowing when to pull back. Martinez and other Sears executives, energized by their success, stepped up the campaign in the years that followed. They didn't know when to leave well enough alone, and, by 1998, employees were so overwhelmed with marketing materials that they began to feel confused and disconnected. A classic case of initiative fatigue set in as floor staff were inundated with messages that had little relevance to their departments, completed survey after survey, and lost significant sales time attending myriad training classes. One frustrated executive turned up at a meeting with a wheelbarrow holding one month's worth of memos, questionnaires, and instructional videos. The moment had clearly passed. So, at that year's annual meeting, in a paradoxical effort to recapture the energy of 1993, the CEO announced that there would be "no new initiatives, no new big ideas." The back-to-basics approach came as a relief to employees and reenergized them around the customer service themes they had embraced five years earlier. Today, the company maintains a low-level, consistent stream of internal marketing initiatives but has curtailed internal campaigns in order to achieve a more appropriate pace.

**Principle 2**

**Link Internal and External Marketing**

Employees need to hear the same messages that you send out to the marketplace. At most companies, however, internal and external communications are often mismatched. This can be very confusing, and it threatens employees' perceptions of the company's integrity: They are told one thing by management but observe that a different message is being sent to the public. One health insurance company, for instance, advertised that the welfare of patients was the company's number one priority, while employees were told that their main goal was to increase the value of their stock options through cost reductions. And one major financial services
institution told customers that it was making a major shift in focus from being a financial retailer to a financial adviser, but, a year later, research showed that the customer experience with the company had not changed. It turned out that company leaders had not made an effort to sell the change internally, so employees were still churning out transactions and hadn’t changed their behavior to match their new adviser role.

Enabling employees to deliver on customer expectations is important, of course, but it’s not the only reason a company needs to match internal and external messages. Another reason is to help push the company to achieve goals that might otherwise be out of reach. In 1997, when IBM launched its e-business campaign (which is widely credited for turning around the company’s image), it chose to ignore research that suggested consumers were unprepared to embrace IBM as a leader in e-business. Although to the outside world this looked like an external marketing effort, IBM was also using the campaign to align employees around the idea of the Internet as the future of technology. The internal campaign changed the way employees thought about everything they did, from how they named products to how they organized staff to how they approached selling. The campaign was successful largely because it gave employees a sense of direction and purpose, which in turn restored their confidence in IBM’s ability to predict the future and lead the technology industry. Today, research shows that people are four times more likely to associate the term “e-business” with IBM than with its nearest competitor, Microsoft.

The type of “two-way branding” that IBM did so successfully strengthens both sides of the equation. Internal marketing becomes stronger because it can draw on the same “big idea” as advertising. Consumer marketing becomes stronger because the messages are developed based on employees’ behavior and attitudes, as well as on the company’s strengths and capabilities—indeed, the themes are drawn from the company’s very soul. This process can result in a more distinct advertising idea because marketers are more likely to create a message that’s unique to the company. Perhaps even more important, by taking employees into account, a company can avoid creating a message that doesn’t resonate with staff or, worse, one that builds resentment. In 1996, United Airlines shelved its “Come Fly the Friendly Skies” slogan when presented with a survey that revealed the depth of customer resentment toward the airline industry. In an effort to own up to
the industry's shortcomings, United launched a new campaign, "Rising," in which it sought to differentiate itself by acknowledging poor service and promising incremental improvements such as better meals. While this was a logical premise for the campaign given the tenor of the times, a campaign focusing on customers' distaste for flying was deeply discouraging to the staff. Employee resentment ultimately made it impossible for United to deliver the improvements it was promising, which in turn undermined the "Rising" pledge. Three years later, United decided employee opposition was undermining its success and pulled the campaign. It has since moved to a more inclusive brand platform.

But while their messages must be aligned, companies must also keep external promises a little ahead of internal realities. Such promises provide incentives for employees and give them something to live up to. In the 1980s, Ford turned "Quality Is Job 1" from an internal rallying cry into a consumer slogan in response to the threat from cheaper, more reliable Japanese cars. It did so before the claim was fully justified, but by placing it in the public arena, it gave employees an incentive to match the Japanese. If the promise is pushed too far ahead, however, it loses credibility. When a beleaguered British Rail launched a campaign announcing service improvements under the banner "We're Getting There," it did so prematurely. By drawing attention to the gap between the promise and the reality, it prompted destructive press coverage. This, in turn, demoralized staff, who had been legitimately proud of the service advances they had made.

**Principle 3**

**Bring the Brand Alive for Employees**

The goal of an internal branding campaign is very similar to that of an external campaign: to create an emotional connection to your company that transcends any one particular experience. In the case of employees, you also want the connection to inform the way they approach their jobs, even if they don't interact with customers. You want them to have the brand vision in their minds and to consider whether or not they are supporting the brand in every decision they make. How do you do that? Much the same way you cultivate the connection with external audiences. You need to plan and execute a professional branding campaign to introduce and explain the messages and then reinforce them by weaving the brand into the fabric of the company. The messages should be directed at employee "touchpoints," the day-to-day interactions that influence the way people experience the workplace.

A professional branding campaign is just what it sounds like. It takes the form of a consumer branding campaign, with a set of stages that starts with research and continues through the planning and execution of a communications strategy designed to convince your employees of the merits and credibility of your brand. And designing and executing this campaign should be the marketing department's responsibility. The marketing people have the necessary skills, they understand the context surrounding the external campaign, and, perhaps most important, they are uniquely positioned to match the internal campaign to the external campaign.

Market research is a given for any consumer marketing campaign, but companies seldom invest in such research when their employees are the audience. Companies can use many of the same tools for the internal market that they would use for consumers: focus groups, in-depth interviews, and surveys. They can then map their findings to create a big picture of the culture that shows where different subcultures reside and how information flows through the organization. Why go to the trouble? Because once organizations find out what's on people's minds, they can tailor their campaigns accordingly.

Miller Brewing Company took employee attitudes very seriously when it launched a new internal branding campaign aimed at improving employee morale. The company conducted an in-depth study, which revealed that employees took great pride in the company's tradition of brewing, mythologized by stories such as that of founder Frederick Miller carrying the yeast in his pocket from Germany in 1855. The internal campaign became a celebration of employees' passion for great beer. Larger-than-life posters of employees decorated the breweries, depicting
workers as company heroes. The company also distributed materials reinforcing the campaign, including a book celebrating the vocation of brewing and T-shirts emblazoned with "I Make Miller Time." In accordance with Principle 2, these internal findings influenced and reflected Miller's external consumer advertising, which drew on the brand's heritage of craftsmanship. The new TV commercials feature employees talking to the camera, expressing their passion for Miller beer. An added bonus of internal research: By collecting stories like that of Frederick Miller, organizations can be sure that company folklore doesn't walk out the door when long-term employees leave—preserving the culture for future generations of employees.

Following research, the next stage is to plan the campaign, a full-blown communications strategy like Miller's that mirrors a consumer marketing strategy. In thinking about the campaign, top executives should first answer some key questions: What do employees think of the company? What do we want them to think? What will convince them of this? And why should they believe us? Once these questions have been answered, the work of creating communications materials can begin.

Unfortunately, the way most companies approach this task is so generic, so removed from the business's frontline realities, and, frankly, so dull, that the very prospect of the campaign and the new coffee mugs is likely to prompt a collective groan, or, worse, mockery at the water cooler. To overcome people's natural cynicism, the campaign and the communications materials must ring true for employees and must draw on the company's very soul, reflecting and reinforcing what people care about and what makes them come to work in the morning. Materials must be free of jargon and grandstanding and must focus on the essence of the company.

To be effective, these materials must be as creative and eye-catching as the materials you deliver to an external audience. Just as in a consumer advertising campaign, you need to surprise and charm your audience. This is a task of persuasion, not information, and dry, lifeless materials will quickly be shelved or discarded. (For suggestions on making these materials compelling and useful to employees, see the sidebar "How to Create Communications Materials Employees Will Actually Use.")

When it comes to delivering the message, it's tempting to send out a memo, a video, or a package of colorful materials and consider it done, but there's no substitute for personal contact from the organization's highest levels. Indeed, failure to communicate at a personal level can undermine the most sophisticated and expensive rebranding campaign. The failure of the merge of Deutsche Bank and Dresdner Bank in 2000 can be attributed in part to the failure of management to persuade Deutsche's investment bankers of the vision for how the newly merged company would compete. Many key employees left, and the threat of a mass walk-out forced Deutsche to abandon the deal after considerable damage to the share price of both companies.

It's worth noting that research conducted early on can pay off when it comes to implementation. If you've identified a subculture of resistance, for example, you can give extra attention to the resisters when you roll out the brand. Or if you've learned who the most influential employees are—the ones who shape the attitudes of those around them—then you can target those employees directly, and, if you get them on board, they can help get the word out.

The final stage of a branding campaign is feedback and participation from the target audience. For large, geographically diverse organizations, the company intranet can be a superb facilitator of communication and interaction. Indeed, we've found that in companies that do not use intranets for candid dialogue, employees inevitably turn to external Web sites like the Vault to complain about the company. Accenture understood that risk when it rebranded in January 2000. It created an interactive Web site to allow people to ask questions and view the replies to questions others had posted. Joe Forehand, Accenture's CEO,
also includes a feedback button on every internal message he sends to employees and personally responds to every question or suggestion.

As yet, however, the potential of this medium is unfulfilled. There is no reason, for example, why the chairman can't Webcast occasional "fireside chats," a possibility undreamed of by previous generations of managers. But don't let the Web become a substitute for face time or walking the corridors: Fireside chats can be broadcast to different company locations so that everyone can take part at once, but the leader shouldn't hole up in his or her office to deliver the message.

Fireside chats can become part of an effort to weave the branding into the fabric of the organization. Since it's not feasible to conduct a series of major campaigns—it's costly and employees begin to tune them out—the company should make every effort to incorporate the branding into everyday experiences, so that employees "live" the brand at all times. Such employee touchpoints mirror the consumer touchpoints that have become familiar in consumer marketing, where every point of interaction with the consumer is an opportunity to reinforce the brand. (Some of the best examples of consumer touchpoints are retail outlets like Niketown or UPS's vans and uniforms, which are deliberately styled after the military to express discipline and punctuality.)

The most obvious place to begin is the company's physical space. When Condé Nast asked the architect Frank Gehry to design a cafeteria for the offices (home of Vogue and Vanity Fair, among others), he used curved glass panels to reflect the see-and-be-seen culture of the fashion magazine world. And Nike celebrates its heritage and devotion to athletes by naming key landmarks on the company campus after sports legends: Bowerman Drive leads to the campus, where you'll find the Joe Paterno Child Development Center and the Bo Jackson Fitness Center.

Companies can also reinforce the brand very effectively through company policy. Quality Bicycle Products, which employs 195 people in the suburbs of Minneapolis, includes as part of its vision statement a commitment to protecting the environment. To bring the vision alive for the people who work there, the company offers a financial reward: Employees who live within ten miles of the company are paid $2 a day to bicycle, carpool, or take a bus to work. The money is paid in credits toward the company's products. Recruiting and hiring policies are other areas that can serve as touchpoints. Hollywood Video, which regards its passion for movies as its differentiation from the mammoth Blockbuster chain, requires that employees show knowledge of and enthusiasm for movies. Southwest Airlines is known for rigorously assessing candidates' personalities during interviews, rating all potential hires—from pilots to mechanics—on a scale of one to five on seven traits corresponding to the brand's core values. While other companies might consider only more traditional values like honesty or responsibility, Southwest preserves its unique brand personality by hiring only people who are a perfect fit.

By incorporating the brand vision into these employee touchpoints, companies over time inculcate the vision into the employee experience to the extent that on-brand behavior becomes instinctive. Apple is an obvious example, as are Disney and Virgin Airlines. It's no accident that, despite formidable challenges from the PC world, there remains widespread Apple zealotry both inside and outside the company.

Amid the pressure to develop new products and squeeze costs out of operations, internal marketing is easily overlooked. After all, in times of financial stress, even external marketing budgets are scrutinized, despite the well-known fact that external marketing is important. But it is a truth of business that if employees do not care about their company, they will in the end contribute to its demise. And it's up to you to give them a reason to care.

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