



## The importance of internal branding

### The context:

Strong internal branding is vital to the success of all external branding efforts, ensuring employee commitment to company values and an understanding of how to deliver them. Many organizations, however, neglect internal branding.

### Key insights:

- Internal branding goes beyond communication to evolving employee behavior and company culture
- Involve employees: create excitement around a central theme to inform, engage and persuade
- Successful internal branding is a journey, not a one-and-done activity; it will cement employee commitment to the company and ensure alignment with its values and behavior, helping with recruitment, retention and relationships at every customer touchpoint

Branding starts from the inside. Employees must understand and embrace everything about the brand: its positioning (what it means relative to the category and competition), its values (what it stands for) and its purpose (why it exists). Only then can the brand be delivered effectively to the customer. When companies ignore or minimize internal branding, behavior and communication, their marketing efforts are undermined and compromised. A strong internal branding effort strengthens the company from the inside out, giving employees the tools to communicate effectively to the market on an ongoing basis.

An effective internal marketing strategy strengthens the overall brand in multiple ways: it helps ensure consistent customer experiences (particularly through interactions with employees); it encourages employees to embrace brand values and contribute to the brand promise, thereby working more effectively towards the same goals; and it creates authoritative brand ambassadors from within who not only know company culture, but live it.

In this paper, we discuss internal branding—its central importance in an effective marketing strategy, its ongoing benefits both internally and externally and suggestions for best practices. Along the way, we highlight three powerful examples of internal branding that infuses company values into all aspects of the culture, so that employees become true representatives of the brand.

## What starts within spreads throughout

Any marketing effort, from a brand launch to ongoing reinforcement, must first be introduced internally to ensure that each and every member of the company understands and embraces the story. Internal alignment to core values can only strengthen the external launch; a lack thereof can undermine it entirely. Unfortunately, many organizations ignore internal branding, setting up the possibility that employees are either ignorant or opposed to key elements of the brand. This ignorance or opposition will be passed on to customers. Some companies pay only limited attention to internal communication, sending out a few e-mails or outlining the details of a campaign in general literature. That's simply not enough. Employees need to be educated about the brand, committed to what it stands for and able to see its values reflected through company culture. Here's why:

Consistency within translates to consistency in the external market. Customers have multiple touchpoints with companies, and each and every point of interaction needs to emphasize the same messages. If an employee in customer service, accounts receivable or anywhere else in the organization does not represent the brand, it demonstrates to coworkers and customers that the company itself does not entirely believe in its own messaging. If employees don't buy into the message, why should customers? When employees are aligned and feel that they contribute in meaningful ways to what the company stands for, not only is internal performance likely to improve, but employees may also become valuable brand ambassadors who speak with authority about the products and services the company offers, and the culture that produces them.

Perennially popular supermarket Trader Joe's is a fun and quirky retail environment for customers and for employees, who communicate brand values through all aspects of their job and company experience. In today's digital environment, where there are few secrets, every employee is a potential touchpoint and brand ambassador. Even when employees don't interact directly with

## Trader Joe's: Cornering the market on quirky

Trader Joe's is not your average supermarket. Building on the "trading post" connotation of the name, the company distinguishes itself by offering high-quality, unusual food options at a reasonable price. The attraction of the supermarket lies not in the savings, but the experience; the brand value of off-beat, quirky fun is communicated to the customer in a variety of ways, including product names, employee-designed signage and décor and especially employee interactions. The checkout process is as charming as the space and the products; employees exude enthusiasm and expertise, offering interesting feedback on purchases including recipe suggestions and related products. Their smiles are as genuine as their belief in the brand, and customers leave the store having had a genuine experience facilitated by the employees themselves.



customers, they may be communicating over social media or through the blogosphere. Whatever they post reflects directly on the company; they will infuse their messages with brand values only if they know them and believe them.

The more effective an ongoing internal campaign is, the more committed the employees become. This has obvious benefits in terms of how those employees interact with customers and one another. Successful internal marketing that clearly communicates company culture and values helps with employee recruitment and retention. People want to be part of something bigger, something that they can believe in. Clear internal branding enables employees to better represent the company values, and strengthens the institutional memory around them. This kind of commitment will make employees more effective brand ambassadors to both customers and potential new recruits, and will help keep them satisfied in their relationship with the organization. Shoe company Zappos knows this well, internalizing their tagline “delivering happiness” as much as they externalize it.

## Zappos: Delivering happiness to employees

Zappos employees love Zappos. They even turned down \$2,000 at the end of their training to stay. Zappos launched this early exit payment as a way to ensure that everyone who works there really wants to be there. And they do. Zappos continually reinforces their branding through an internal culture site that explicitly lays out the “Zappos Family Core Values” and offers additional experiential material to emphasize the message. Employees also contribute to a blog that explains company culture, giving them the opportunity to share their expertise and reaffirm their commitment. The site also functions as an archive and institutional memory of company culture, ensuring that it continues even as individual employees may leave or transition to other roles.



### Best practices on the ground

An effective internal branding initiative requires significant effort and careful thought. It is a journey, not a one-and-done activity. And it's about communication and evolving employee behavior as well as company culture.

Companies want to instill knowledge and commitment in their employees, ensuring both an understanding of brand values and an experience of them. There are a number of best practices for an internal branding campaign that will maximize employee engagement in an ongoing way, ultimately solidifying their commitment to the company and helping to ensure the success of an external marketing initiative. As we've shown, it is vital for companies of every kind to take internal branding efforts seriously, and with the right tools, every company can effectively strengthen their employees' experience of their brand values. Here are some ideas you can consider for your own internal branding:

Before you start, do your homework. Use your employees—their expertise and insider knowledge make them an amazing resource. They possess vital knowledge that can be tapped through traditional marketing means: surveys, focus groups and interviews. Such initiatives also help identify particular points of pride (which can be developed and emphasized) and potential spheres of resistance. Internal research and engagement is vital to the success of any branding initiative, providing valuable knowledge of company culture to those building the campaign, and helping them tailor the branding message to the internal workings of the company. Through your research, identify what already works, what values are manifest and how they are experienced through company culture. Think about how to build on these successes, particularly through champions who are in key positions to communicate brand values. Be sure to also note potential points of resistance and strategize ways to take that into account during the campaign.

Consider the timing very carefully. While cohesive internal alignment is always vital, there are particular moments when a new initiative can be most effective or most needed. Points of transition—new leadership; new space; a major change in products or company direction; and, of course, a rebranding project—are ideal and indeed vital times to strengthen existing internal branding or to introduce a new campaign. This can be particularly complicated when multiple companies merge, or when one or many companies are acquired by another. Employees may bring their pre-existing brand values and loyalties to the new company, and this can cause friction. Once again, research about employee attitudes and points of pride remains a vital first step in any branding initiative, particularly in the case of a merger, acquisition or major restructuring. Find a way to tap into what works to correct what doesn't, as UK-based caterer Sodexo Prestige did after their internal restructuring in 2009. The company saw this as an important opportunity to reaffirm brand values and overcome resistance from within its own company. The timing was right, and the internal campaign provided the basis for a highly successful external marketing initiative.

## Sodexo Prestige: Foodie culture from the inside



Following the 2009 merger of corporate services and sport-and-leisure catering, Sodexo launched an internal branding campaign targeted at employees. Building on the passionate foodie culture that existed in some corners of the organization, the “We are Sodexo Prestige” campaign effectively broke down perceptions that the company was mass-producing uninspired food for large audiences. The campaign was built upon internally generated stories of deep passion for good quality, fresh food. The campaign was teased in advance with beautiful postcards hinting at employees’ love of food, and launched with

personalized direct mail, an ingredient notebook and a new website launch that featured images of employees with fresh food and personal stories, underscoring that they’re central to the business.



Once you have identified the desires and needs of your employees and decided when to launch your internal branding process, it is time to design your approach. Begin with the same principles as an external branding initiative: start with the story; underscore the values; bring in

the employee; inform and persuade. Organizations must be very careful not to overwhelm their employees with information and detail. Remember that for employees as well as customers, the goal is not to communicate a series of facts, but to persuade participants to embrace the story.

## *The goal is to give employees the tools they need to live the brand.*

Develop a key theme around which employees can rally. Create buzz and excitement through easily accessible images and branded products. When possible, connect to your company's history and the roots of your brand to clarify your message. This helps personalize the story and allows employees to play a role in institutional memory. Make a big company-wide announcement before rolling out (mandatory) brand training sessions. Keep the meetings brief and spread them out over a period of time. Keep the groups small and the messages clear and consistent, so that everyone in the company—from management to sales to those on the factory floor— understands and identifies with the values of the brand. Don't overburden employees with reading materials and training information; allow the principles of an external branding campaign to inform the internal process, always keeping an eye on persuasion and storytelling.

Don't let training get in the way of the brand itself by keeping employees so busy that they can't do their own work. The strongest message is seeing the process in action and bringing the brand values to life. Keep written work and material to a minimum; too much information can confuse the message, frustrating employees and distracting from the experiential aspect of the ethos. Let the material do its work on the ground, through the brand. At the same time, make sure that the brand is continually activated within the company. Internal branding is always ongoing. Keep all information current and updated, and ensure that the lines of communication are always open and accessible.

An important way to keep brand values strong is through company culture, every aspect of which should reflect the brand itself. Employee incentives, mentorship programs, career development training, meeting times, social structures and even compensation models should all connect to and reflect company values. The physical space of the company, from interior design to internal signage to workspace types (open-plan? cubicles? transparent doors?) to lounges and seating areas can all tie back to the brand itself, allowing the message to infuse every aspect of the employee experience. The branded environment considers architecture, lighting, décor, signage and layout to create a sensory experience for the employee and the customer. In this way, work becomes synonymous with the values of the brand; employees don't just do their job, but live its values.

A successful internal branding effort communicates company values and activates them across all aspects of company life. Employees feel that they are an integral part of delivering company performance, irrespective of their individual position or title. Each and every employee becomes a valuable brand ambassador, expressing its values internally, through touchpoints with customers, and even outside the official work context. A strong internal brand is the scaffolding that strengthens external efforts and makes them more powerful, bringing brand values to life. ■



*If you are interested in learning more about using internal branding, please call us at 610.940.9030 or visit [www.baileybrandconsulting.com](http://www.baileybrandconsulting.com)*

### **About this paper**

We believe collaboration is the key to achieving successful results—and we put this into practice with both our clients and our internal teams on a regular basis. The paper you just read reflects that philosophy; it was a team effort, created from the observations and combined thinking of both our Client and Creative Services teams.

### **About Bailey Brand Consulting**

Bailey Brand Consulting is a leading strategic marketing and branding firm that has been helping make brands matter for clients across the country and around the world since 1985. Our experienced teams of strategic thinkers, creative problem-solvers and world-class designers work in close partnership with our clients to uncover deep customer insights, develop powerful creative solutions and build effective brand strategies that drive business growth.

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