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Building Great Brands  
and Businesses

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*Employees can make or break a customer's experience with your brand. Taking a strategic approach to brand assimilation will ensure that your brand-building efforts create deep and lasting relationships with customers.*

In today's highly competitive environment, brand building is no longer optional, it is essential. Your company's brand can and should guide critical business decisions as well as determine appropriate employee behaviors. Adopting this brand-driven approach helps foster customer loyalty that will ultimately translate into increased profitability and competitive advantage. While many companies recognize the value of a powerful brand, they often overlook the critical role employees play in shaping relationships with customers and instead focus solely on external communications such as advertising, direct mail, and the like. Companies that focus their efforts on marketing communications alone are not only failing to fully capitalize on the knowledge and enthusiasm resident within their organizations, but may be also setting themselves up for brand and business challenges ranging from disenfranchised customers to loss of shareholder value.

United Airlines' Rising campaign is a classic example of such a short-sighted effort. United launched an image campaign that was designed to elevate customer expectations of the United experience. Because United failed to inspire or equip employees to deliver on the brand promise conveyed in the advertising, what could have been a differentiating experience for customers could not be delivered in the field and arguably denigrated the company's brand.

The reasons to align employees around your brand are straightforward and difficult to dispute:

- *It provides a tangible reason for employees to believe in a company, which keeps them motivated and energized.*
- *It allows each employee to see how he or she fits into the grand scheme of delivering the brand promise to its customers and the effect of these efforts on business goals.*
- *It develops a level of pride tied to fulfilling the brand's promise.*
- *It facilitates recruiting as well as retention.*
- *It confirms that the customer and the brand are the things to focus on.*

Most important, making the brand the central focus of the organization clarifies for any employee what is "on-brand" and what is "off-brand." In the field or in an executive suite, it then becomes easier to make the right strategic decisions. The whole organization will now have a brand lens in place to make smart and strategic brand-based decisions.

It should be emphasized that building a brand-based culture is not about creating short-term buzz. Rather, it is about developing a genuine and ongoing commitment to the organization's brand(s). To create a brand-centric environment, you have to ensure that employees are living the brand consistently on a daily

basis, across functional areas, divisional boundaries, and geographic markets. Creating such an environment is not an easy task, but it can be done, and brand assimilation is the key.

### Brand Assimilation Defined

Brand assimilation is a set of programs designed to ensure that all employees understand and embrace your brand and are able to bring it to life inside and outside your organization. A successful and structured brand assimilation program will ensure that employees understand the meaning of your brand and how it can translate into observable, actionable behavior. When people inside your organization deal with customers, prospects, or other stakeholders, they should think, speak, and behave in ways that create the kind of customer experience and lasting impact that your brand aspires to deliver. With your employees aligned behind your brand, you maximize the strength of the brand and are able to develop a vibrant brand-based culture. On-brand employee behavior will result in more meaningful customer relationships that ultimately translate to favorable business results.

A recent Fortune article (May 2002) pointed out the correlation between employee alignment and the bottom line, noting that many of the companies on its “best companies to work for” list enjoy stock returns well above industry averages. Southwest Airlines, for example (LUV), which topped the inaugural 1998 list has been a standout in the troubled airline sector, returning 26% per annum over the past four years. Similarly, biotech giant Amgen, motorcycle maker Harley-Davidson, and

retailer Lowe’s, all of which have appeared on Fortune’s list, each returned an average of at least 40% annually.

### Employees as Brand Advocates

Brand assimilation programs are not just about one-time training, slogans, t-shirts, “rah-rah” events, or internal communications. In order to truly develop a brand-based culture, your brand assimilation program should help each employee understand how his or her behavior can impact the entire organization. A deeper brand understanding will create a sense of ownership and satisfaction that trickles down to the customer experience.



To get there, your employees will need to move through three primary stages, from merely being aware of the brand and what it stands for (“Hearing It”), to understanding their role in delivering against the brand promise (“Believing It”), to finally becoming passionate advocates for the brand (“Living It”).

### Fiscal Impact of Not Living the Brand – McDonald’s

McDonald’s failure to demonstrate its organizational values and deliver on its brand promise – to provide outstanding service, quality, value, cleanliness, and to have every customer in every restaurant smile – resulted in customer dissatisfaction and loss of revenues. In 2001, a University of Michigan study on customer service ranked McDonald’s among the poorest performers relative to customer satisfaction. The study found that on any given day, 11% of McDonald’s customers are dissatisfied with their visit and nearly 70% of the dissatisfied customers are further dissatisfied with the way their complaint is handled. Additionally, more than half of all dissatisfied customers cut back on their visits to McDonald’s and told as many as ten other people about their unsatisfactory experience. The top five complaints by McDonald’s customers were rude employees, being out of Happy Meal toys, slow service, missing product/wrong order, and unclean restaurants. According to the Michigan study, poor customer service may be costing McDonald’s up to \$750 million per year in lost business. (Source: University of Michigan Customer Service Study, 2001)

To develop brand advocates, your first job is to generate excitement around the brand and demonstrate the company's thoughtful commitment to it. You must then present a persuasive and convincing argument about the value of the brand and ensure that employees understand the impact of the brand and its positioning on their individual activities. If you do this well and reinforce it consistently, over time employees will begin to live the brand, instinctively, naturally, and with an ever-increasing fervor. The brand becomes an old friend to them, someone they are proud of and want to defend and protect.

### Ensuring Success

The companies with strong brand-based cultures have many employees operating out of a “living it” mindset for long periods of time. These companies are good at maintaining those brand-driven behaviors, with careful monitoring and periodic refreshment and reinforcement. They also had several fundamental pieces in place before getting started:

**1. High-Level Commitment.** It is crucial that a commitment to the brand exists within your organization at the highest levels. The impact of an executive endorsement for brand-building activities should not be underestimated. If employees think that the executives believe

brand building is a priority, they will embrace it as a priority as well. Hearing and perhaps, more importantly, seeing brand endorsement from a high-ranking member of the company can leave a strong and lasting impression. Without leadership buy-in, support, and willingness to lead by example, your brand assimilation efforts will fall flat.

**2. Clearly Articulated Brand Strategy.** In order for brand assimilation efforts to succeed, it is critical that you have developed a long-term strategy for your organization's brand that is closely linked to your company's business strategy. You need to have a vision for what your brand should stand for over time and how it supports overall business objectives in order to identify near-term organizational imperatives and, more specifically, to carve out well-defined roles for employees. If employees are to serve as the linchpin for bringing the brand to life, it is essential that the appropriate strategic foundation has been laid and that employees have this context for their efforts.

**3. Cross-Functional Team.** You should pull together a cross-functional and cross-level team. Utilizing such a team will accelerate buy-in of brand concepts and facilitate sell-in of these concepts to the rest of the organization. Keep in mind that change agents may

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### Role of Brand Advocates – Alberto-Culver

In 1994, Alberto-Culver North America faced declining sales and a fiercely competitive environment. Carol Bernick, the company's President, knew that overcoming these challenges would require changing employee attitudes and instituting a cultural shift. The culture at the time was downbeat and discordant and was hindering innovation, creativity, and employee retention.

Bernick began her mission by creating a new position called Growth Development Leader (GDL). These GDLs functioned as passionate advocates for the brand, serving as mentors, role models, and liaisons between employees and senior management. Bernick began using employee surveys to identify areas for improvement and provide 360-degree feedback to management. From these surveys, she produced a to-do list that ranged from eliminating compensation biases to refurbishing the physical office environment. She changed the atmosphere by celebrating success, promotions, and routine events like anniversaries.

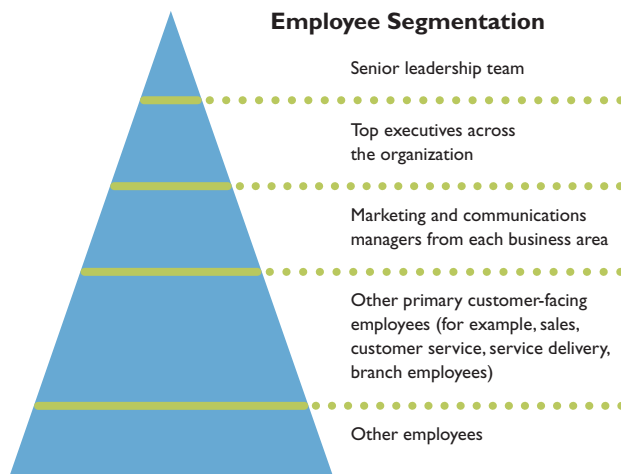
Through these and other more customer-centric tactics, Bernick was able to eliminate Alberto-Culver's patriarchal and secretive culture with its top-down management style and achieve astounding results. By making culture a priority, Alberto-Culver cut employee turnover in half and successfully persuaded outsiders to join the team. Sales in 1999 were 50% higher than they were in 1994. (Source: Harvard Business Review, June 2001)

reside anywhere within the organization – limiting brand assimilation efforts to only senior level people will reduce your likelihood for success. Effectively managing your brand is a cross-functional, company-wide endeavor. Your brand assimilation efforts should be too.

### The Role of Employee Segmentation

With this foundation in place, the first major question that you need to answer is tied to segmentation: Is there a role for a strategic employee-based segmentation model that drives the scope, depth, pace, and timing of your brand assimilation activities? One way to think about strategically segmenting your employee base is driven by an individual's level and formal/informal influence base and the probability that he or she will directly touch either marketing communications or customers.

Because each segment will have a different set of expectations regarding the brand assimilation initiative and will be required to do different things if the initiative is to be successful, thinking through your assimilation program based on such a segmentation framework can be beneficial. As with external marketing efforts, specific types of communications and experiences can then be targeted and tailored for relevance and impact for each segment. The timing and intensity of these efforts can then also vary. It does not mean that the other employee segments are ignored,



What is the correct segmentation and mix of employees to target?

but it does mean that you are focusing your time and energy on the most relevant ones.

### A Three-Phased Approach

Despite the temptation to jump directly into the tactical aspects of brand assimilation such as workshops, events, company intranets, newsletters, and the like, the most successful organizations take the time for considerable strategic planning prior to executing their brand assimilation program. The three phases of a structured brand assimilation program are strategic development, foundation-building, and implementation:

#### The 3 Phases of Structured Brand Assimilation



Brand assimilation is evolutionary and requires deliberate planning. As such, the first phase of a structured brand assimilation program focuses on setting the strategic direction. Key activities during this phase include defining the scope and objectives of your assimilation program and segmenting your company's internal audience. It is critical that you use this phase to identify the people, processes, systems and other resources that will enable you to achieve your objectives and to anticipate potential roadblocks. At the end of this phase, you should be armed with a detailed road map that delineates, by segment, your initial hypotheses around key objectives, messages, vehicles, timing and tracking for your program.

During the second phase, foundation building, much of the heavy lifting occurs. The appropriate level of brand education for each segment is determined, and “train the trainer” sessions take place among key employees who can serve as potential change agents and champions. By holding a series of brand workshops with these individuals, you are securing buy-in for the initiative and increasing understanding of the brand assimilation initiative and its benefits. These workshops also provide the opportunity to understand what brand means for each employee’s respective area and how the brand can be used to guide behavior. Based on this discovery, you will then be able to identify key vehicles and develop appropriate materials for a company-wide rollout of your assimilation program.

The final phase, implementation, is where the rubber meets the road. This phase is critical in that assimilation efforts will now expand beyond the relatively safe haven of change agents and advocates to the larger employee audience. The emphasis is on leveraging the insights gained in the previous two phases to execute key communications materials, events, and other supporting experiences that will garner buy-in and change employee behavior throughout the organization. As with all business and branding initiatives, it is important to monitor the reaction and response to the program and make adjustments to it as necessary.

#### **What is Not Measured is Not Managed**

If you are going to expend the time, money, and energy to create and implement a brand assimilation program, you will certainly want to know if your efforts have been successful. You will know that you have been successful if employees are aware of the new brand initiative, understand “what’s in it for me and the company,” and know how to deliver on the brand promise. Your employees should also understand their role in deepening relationships with customers,

have the practical knowledge and tools to excel, and be able to leverage your brand to help overcome business challenges.

For example, when British Petroleum merged with Amoco in 1998, it seized the moment-in-time opportunity to rebrand itself and measure its success along the way. Utilizing a new, single corporate brand (BP), the company developed a new brand identity and positioning and launched a brand-building campaign targeting employees and the public. BP took a survey of employees after the internal branding campaign was launched. The survey 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 90% thought the company was going in the right direction. These measures helped justify the continuing investment of \$25 million (per quarter) in the branding initiative. (Source: Harvard Business Review, 2002)

#### **Stick With Your Program**

It is important to note that this type of change doesn’t happen overnight nor should it be taken lightly. Changing behavior and maintaining those changes requires considerable time, resources, and diligence. A poorly planned or executed assimilation program may, in fact, be worse than doing nothing at all. An attendee at a recent branding conference told us that his company’s misguided brand assimilation efforts ultimately created more brand skeptics than advocates. His company held a huge brand kickoff party, but then neglected to support any meaningful changes to employee behaviors or the way business was conducted. This example highlights the risks of merely paying lip service to branding initiatives. If, however, you pursue brand assimilation in a strategic and committed fashion, you will be well positioned to reap the benefits of a strong brand. Over time, you will build a brand that resonates with customers, excites and motivates employees, and drives true shareholder value. ●

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*Prophet is a strategic consulting firm specializing in business and brand strategy.*

*For more information on brand assimilation, please check out  
“Building the Brand-Driven Business” (Jossey-Bass, September 2002)  
by Scott M. Davis and Michael Dunn of Prophet.*

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