

## **Strategic Services Marketing**

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**Week – 06**

**Lecture – 30**

### **Internal Branding and Aligning Employees with the Brand**

Hello everyone. In this session, let's explore the role of internal branding to align employees with the service brand. What is Internal Branding? Internal branding refers to the process of aligning and engaging employees with the brand identity, values, and objectives of the organization. Internal branding involves instilling a sense of ownership, pride, and commitment among employees towards the brand, ultimately empowering them to deliver a consistent and authentic brand experience to the customers. Although a universal definition has not yet been proposed, various authors agree that internal branding is about ensuring that the brand promise is transformed by employees into reality, reflecting the espoused brand values that set customer's expectations. Internal branding describes the activities undertaken by an organization to ensure that the brand promise reflecting the espoused brand values that set customer's expectations is enacted and delivered by employees.

Let's discuss some key aspects of internal branding. The first key aspect here is Cultural Alignment. Internal branding helps cultivate a shared organizational culture that reflects the values, mission, and vision of the service brand. By fostering a strong sense of cultural alignment, employees are more likely to embody the brand's ethos in their daily work and interactions with customers.

Let's have a look at an example, Zappos and their campaign Delivering Happiness. Delivering Happiness by Zappos provides an internal culture is aligned with its brand promise of delivering exceptional customer service and happiness. The company's commercial showcase its unique company culture, emphasizing employee empowerment, passion for customer service, and commitment to creating memorable experiences for

customers. So here is the campaign coming from Zappos with the title Delivering Happiness. Have a look at this campaign.

Hello, and thank you for calling Zappos.com. Sales associates dressed as barmaid. How's everyone doing? Are you being safe? Spider-Man in the cafeteria. Go! Racing toy cars in the middle of the office.

What's going on here? Welcome to the zoo. What you are witnessing is a social experiment by Tony Hsieh, the entrepreneur and mastermind behind Zappos, the online shoe company. His revolutionary way of running a business has made Zappos into a \$1.2 billion powerhouse, and he got there with the guiding principle, great things will happen if you make employees happy. It's like a playground.

I mean, there are balloons, there are whistles. Does that help business? We think it's important for employees to have fun, and that drives employee engagement. Companies with strong cultures tend to outperform the ones that don't have strong cultures. Hsieh's hugely successful company sells over a thousand brands of shoes in just about every style, size, and color. Ship 24 hours a day, as many as you like, and it's free shipping both ways.

At Zappos headquarters in Henderson, Nevada, outside of Las Vegas, no dour corporate cubicles here. Instead, employees are cheerful and downright zany, and no CEO corner office. Instead, Tony Hsieh sits in the middle in his own cubicle next to his assistant. You want your people you hire to be, in your words, a little weird. What does that mean? One of our core values is to create fun in a little weirdness.

We really recognize and celebrate each person's individuality. We want their true personality to shine in the workplace. Tony Hsieh has been a maverick from an early age, the son of Taiwanese parents with high expectations. My parents wanted me to get good grades and eventually become a lawyer or a doctor. But Tony launched his own little rebellion before he hit double digits.

Your parents wanted you to learn musical instruments, but you deceived them. What did you do? I really did not enjoy playing musical instruments, so I would play recordings of me playing the piano while my parents were still in bed, so they thought I was practicing. Do you play any instruments today? I can pretend to. Hsieh began to show an instinct for business at just nine years old. I had this idea of buying a lot of worms, and then I would grow my own and then I could eventually sell worms.

What happened? Maybe a week or two later, all the worms had escaped, so that was the end of my worm farm business. Good grades got him into all the top universities, but he went with his parents' choice, Harvard. You didn't go to any classes. How come you still got A's? Reading the material on my own or getting notes from friends. Is it true that one of your courses was Mandarin Chinese, but you already spoke Mandarin Chinese? Yes, it was first year Mandarin Chinese.

I don't know whether we should be very proud of you or whether you're going to tell young people, you know, go to college and never go to school. I actually encourage them to take the money they would have spent on college to start businesses instead, if your ultimate goal is to be an entrepreneur. Not one to let college get in the way of commerce, Shay made fast money selling fast food. Got on the subway, went one stop, bought frozen McDonald's burgers, took a taxi back and cooked them and sold them to students. How much money did you make? Five or ten thousand dollars.

After graduating, Hsieh's first big move was launching an advertising website from his basement called Link Exchange. It grew quickly, but so did Tony's unhappiness. As it got more successful, that's when you didn't want to do it anymore. Why not? It wasn't a fun place to work at anymore.

So you sold it. How much did you get when you sold Link Exchange? Two hundred sixty five million. He was set for life, but then someone approached him with the idea of selling shoes online. You said it sounded like the poster child of bad Internet ideas. You were not interested in shoes. I'm actually still not interested in shoes.

It was the most exciting business from a growth perspective, and I really liked the people there. Hsieh jumped on board as CEO, and this time he would build his company differently. I definitely did not want to repeat the same mistake I had made at my previous company where the company culture just went downhill. If I was going to go into an office every day, might as well go into an office with people I would choose to be around, not be around purely just for business reasons. Hsieh is evangelical about making sure his employees are happy, offering free food in the cafeteria, covering all medical benefits, and even supplying a life coach to help employees reach their goals.

I just was accepted to the brand marketing internship. Oh, that is awesome. Congratulations. Fortune magazine named Zappos one of the top 10 companies to work for.

There's some rowdy folks. Feel free to take pictures and video as we go around. And the business world is taking notice. Remind the silly string folks it's superhero week. Employees from other companies often show up at Zappos headquarters, taking tours and trying to understand what makes Zappos so successful, often with disbelief. I think they think we're nuts.

I think people are generally afraid to allow employees to be themselves because then they feel like the power is taken away. It's really more than just a place to work. It's a lifestyle. Most Zappos employees, when they leave the office, leave to hang out with other Zappos employees, not because we force them to, but because they actually choose to. After a decade, Zappos dominated the online shoe industry, and it's expanded into other projects.

In 2009, Amazon bought the company for \$1.2 billion, but asked Hsieh to stay on as CEO. He agreed for a salary of just \$36,000 a year. That's my way of making sure that I'm actually only there for my own happiness.

I'm not staying for the money. Hsieh is not proprietary about how he runs his business. In fact, he put Zappos recipe for success in a book called *Delivering Happiness* and went on tour to spread the word. Hsieh's next big project is to deliver happiness to downtown Las Vegas. We are in the Fremont East district right now. It's an area that most tourists don't know about.

This is where the locals hang out, and there's a real sense of neighborhood and community here. His vision? Revitalize the distressed downtown area into a high-tech hub, bringing in more jobs. What does success mean to you? The ultimate definition of success is you could lose everything that you have and truly be okay with it. Your happiness isn't based on external factors. Would you lose everything and be happy? I think that would actually be a fun challenge.

Next key aspect is with respect to employee engagement. Engaged employees are more motivated, committed, and enthusiastic about their work, leading to higher levels of productivity and customer satisfaction. Internal branding initiatives such as training programs, workshops, and even recognition initiatives can boost employee engagement by reinforcing the importance of their role in delivering the service brand promise. Let's have an example of Southwest Airlines and their specific campaign, which is known as

transparency. Southwest Airlines emphasizes employee engagement and empowerment in its commercial.

The airline promotes a fun and vibrant work culture where employees are encouraged to bring their authentic selves to work, resulting in enthusiastic and engaged employees who are passionate about delivering excellent customer service. So here is the campaign, which is named as Transparency by Southwest Airlines. When did paying for airfare become so unfair? At Southwest, we do things differently. So differently, we invented a word for it. Transparency means we don't dream up ways we can trick you into paying more.

It means respect. Because we don't just fly you. We like you. The next key aspect deals with brand advocacy. Internal branding encourages employees to become brand advocates who actively promote and embody the service brand values both internally and externally. When employees feel connected to the brand and its values, they are more likely to champion the brand's message, values, and offerings to customers, colleagues, and even other stakeholders.

Let's have an example of Starbucks' Meet Me at Starbucks commercial. Meet Me at Starbucks commercial showcase the brand's commitment to creating a welcoming and inclusive environment for customers. The commercial features real-life moments captured at Starbucks locations around the world, highlighting the diverse community of customers who gather at Starbucks to connect, share, and enjoy moments together. Have a look at this particular campaign from Starbucks, which talks about Meet Me at Starbucks. It's something deep inside our bones, echoing our very souls.

I'll tap on the table while you make up the melodies. We've got some time to spend, so let's spend it happily. Say hello to you, say hello to me, say hello to us, say hello to we. If we've got time to spend, let's spend it happily. If we've got time to spend, let's spend it happily.

So let's say hello, hello, oh, oh. So let's say hello, hello, oh, oh. So let's say hello, hello, oh, oh. So let's say hello, oh, oh, oh, oh. There's another video coming from overall across the world, which again showcase how this Meet Me campaign was a big hit at Starbucks.

Have a look at this video as well. When I saw the meetup for scrapbooking, I said, wow, this is exactly what I need. We got lost in Florence. No more seeking a diet. You know,

I never knew that albums could be so beautiful or creative. I brought my world into a storybook, which I can share.

We decided to meet at Starbucks where people with the same interesting mail could get connected. When you get a postcard, it's meaningful. There's an actual community behind it.

That's what I like. You meet the special people. I'll maybe... It is a privilege to call out to the artists and the artists who made this movie.

They won't forget. They will work hard, should give them a lot of experience, especially young people like me, and move out back into our lives. The most important thing of all of this is that people can just live their lives and be themselves and be comfortable. When we set a ride, we find a Starbucks somewhere in the city and we start our rides from there. Amsterdam people are really proud of canals. There are lots of people who actually want to do something about pollution.

To feel the connection with other people in the sense that you have the same enthusiasm of creating new things and finding new ways. We're going in this great environment. We're setting up our own machines. Some of the people just join in with us. We all get to resonate around this affection that we have.

You know, you always remember your first level. What we're trying to do at American Wound is to preserve the craftsmanship. We're looking forward to the U.S. textile industry coming back. We're constantly scrambling, trying to get to the clients on time.

We actually utilize Starbucks as a place to meet, discuss strategy, discuss techniques, and go into that meeting confident. Through authentic storytelling and genuine interactions, Starbucks employees serve as a brand advocate, embedding the company's values of warmth, connection, and community. The commercial reinforces Starbucks' role as not just a coffee shop, but a gathering place where people can come together and experience moments of joy, connection, and belonging. Next key aspect of internal branding is with respect to consistent brand experience. Consistency is a key to building trust and loyalty among customers.

Internal branding ensures that employees understand and consistently deliver the service

brand promise across all touch points, resulting in a seamless and coherent brand experience for their customers. Let's have a different commercial coming from Ritz-Carlton Hotel chain, which is known as Let Us Stay With You. This particular commercial from Ritz-Carlton emphasizes its commitment to delivering exceptional service and luxury experiences consistently. The commercial showcases the hotel staff's attention to detail, personalized service, and dedication to exceeding guest expectations, ensuring a consistent brand experience at every touch point. Have a look at this beautiful campaign or commercial from Ritz-Carlton titled as Let Us Stay With You.

Next key aspect is with respect to customer-centric mindset. Internal branding initiatives help cultivate a customer-centric mindset among employees, emphasizing the importance of understanding and meeting customer needs and expectations. By aligning employees with the service brand's customer-centric values, service providers or organizations can deliver exceptional service experiences that drive customer satisfaction and loyalty. Let's take an example of Disney Parks, Where Dream Comes True. This is a particular commercial from Disney Park, embodies its customer-centric mindset by showcasing the magical experiences and memorable moments guests can expect. The commercial emphasizes business commitment to creating immersive and unforgettable experiences that prioritize guest satisfaction and happiness.

Have a look at this campaign or commercial from Disney Park, which is titled as Where Dream Comes True. there is a place where you get to Dive Right In Take Aim and ride and it's your dance too where you really are a princess or a pirate and pixie dust shrinks you to the size of a fairytale there is a place where dreams come true Disney parks.

Next, key aspect of internal branding is with respect to continuous improvement. Internal branding fosters a culture of continuous learning, feedback and improvement, empowering employees to innovate and adapt to changing customer preferences and market dynamics. By encouraging open communication and collaboration, internal branding enables organizations to stay agile and responsive to evolving customer needs. After understanding the key aspects of internal branding, but what is the process of going for internal branding? So in one of the article published in European Journal of Marketing, the authors, Punjesree and Wilson, provided this particular process framework for internal branding.

This paper outlines key mechanisms, outcomes and moderating factors that influence internal branding process. As you can see in this particular diagram, there is something called as internal branding, which is the function of internal communication tools and training programs. Internal communication tools involves daily briefings, group meetings,

notice boards, newsletters, logbooks, etc. Whereas training programs involve orientation program and development course and so on. All these internal branding elements together influences brand identification, how the employee identify themselves with the brand, their commitment for the brand and the loyalty of the customers that it can carry.

And then it also influences ultimately the brand's overall performance. Whereas all these factors are subject to some effect coming from other external factors, for example, the work environment. For example, this involves relationship with colleagues and leaders, remuneration schemes and even perceived autonomy or empowerment. Whereas there are some personal variables of employees that can also influence their participation and respond to internal branding elements. For example, employees age, educational background, length of service and so on. So this diagram or framework aptly recognize how internal branding process can influence ultimate brand performance.

This study seeks to focus on frontline service employees and their views of internal branding and the extent to which personal and job specific factors impact on the success of internal branding. This research based on multiple case study representing the hotel industry specifically based out of Thailand. This involved the completion of almost 30 in-depth qualitative interviews with customer interface employees followed by a quantitative survey with 680 customer interface employees located in five major hotels. Corporate service brands must align internal branding efforts to strengthen employees connection, dedication and alliance to the brand. The interconnections among employees identification, commitment and loyalty to the brand are examined in this particular framework.

Personal factors like age, education and tenure along with situational factors related to work environment are identified as a factors that influence the internal branding process effectiveness. Internal branding for services presents several challenges as well that service providers need to address effectively. So let's discuss some challenges in internal branding for services. The first challenge here is cultural alignment. Ensuring alignment between organizations internal culture and the desired service brand image can be challenging.

Differences in values, beliefs and behaviors among employees may hinder efforts to cultivate a cohesive brand culture. Second challenge deals with employee engagement. Engaging employees in the internal branding process can be challenging particularly in large organizations or those with dispersed workforces. Overcoming apathy, resistance to change and low morale requires proactive communication, involvement and motivation strategies. Third key challenge with respect to internal branding implementation is with respect to consistency across touch points.



Maintaining consistency in delivering the service brand promise across all customer touch points can be challenging especially in service industries with multiple service delivery channels and interactions. Ensuring that employees understand and embody the brand values in every customer interaction becomes crucial here. Next challenge is with respect to having leadership support at place. Securing buy-in and support from organizational leaders is essential for successful internal branding initiatives. However, obtaining leadership commitment and alignment with brand objectives may be challenging particularly in organization or service providers with competing priorities or entrenched leadership styles as well.

Another challenge is with respect to training and development. Providing comprehensive training and development programs to equip employees with the skills, knowledge and behaviors necessary to deliver on the service brand promise can be challenging. So designing and implementing effective training initiatives that resonate with employees' learning styles and preferences require careful planning and resources. Another challenge is with respect to measurement and evaluation. Measuring the effectiveness and impact of internal branding initiatives can be challenging particularly in terms of quantifying intangible outcomes such as employee engagement, brand alignment and customer satisfaction. Developing meaningful metrics and evaluation methods to assess the ROI of internal branding is essential.

Another challenge is siloed organizational structure. Siloed organizational structure and departmental barriers can impede collaboration and communication across different functional areas, hindering efforts to create a unified brand experience. Breaking down silos and fostering cross-functional collaboration is critical for successful internal branding in service organizations. Next comes another challenge that is in the form of adapting to change. Service industries are dynamic and constantly evolving, requiring organizations to adapt quickly to changing market trends, customer preferences and even competitive pressures. Flexibility and agility in adjusting internal branding strategies and tactics to align with changing business needs are essential.

Addressing these challenges require a strategic approach to internal branding that prioritize employee engagement, cultural alignment, consistency, leadership support, training, measurement, collaboration and adaptability. By overcoming these challenges, service organizations can create a strong internal brand culture that drives employee motivation, enhance customer experiences and ultimately contribute to business success. So in this session, we try to explore and understand the role of internal branding in terms of aligning employees with the service brand. Thank you.

