



Insights from The Clarion Institute

Brand Integrity

By William McKendree

Companies spend millions of dollars to create a brand that captures customer loyalty. When the brand delivers the promised high quality products and services as well a consistently positive customer experience, consumers reward the company with high retention rates and increased spending. If, on the other hand, the company fails to deliver its promise, customers view the brand with cynicism and begin to take their business elsewhere. Not only the integrity of the brand but also trust in the company suffers when a gap exists between what is promised and what is delivered. It takes hard work for a company to align its infrastructure and behavior to deliver the intended customer experience, but those that do have customers loyal to the brand and to the company.

What's in a brand?

Companies budget millions of dollars to build a brand that will gain loyal customers. The purpose of a company's brand is to invoke positive associations with its products and services. In addition to delivering the expected products and services, the company promises a predictable customer experience. When a gap exists between what is promised and what is delivered, the brand's integrity comes into question, and customers begin to turn elsewhere.

At its simplest level, a solid brand delivers what it promises. However, beyond the actual product or services, a strong brand

evokes an emotional and sensory quality that increases customer satisfaction and loyalty. If our senses are tantalized and our emotions stirred in a positive direction, then a stronger customer experience results. Think of the ambience created by Starbucks where sights, smells, and tastes assemble to entice the customer and where comfortable chairs and a laid-back atmosphere invite the customer to linger and to return time after time.

Brands can take on an almost mythical personality that morphs into its own culture. For instance, Nike has become synonymous with exceptional athletic performance. As one watches Michael Jordan soar through the air or a committed athlete drip with sweat, Nike becomes not only the shoe that enhances sports performance but also the embodiment of our sports-worshipping culture. In buying Nike products, the consumer signals his membership in an elite club that embraces a sports- and fitness-oriented lifestyle and that implies a desire to do one's very best.

If a strong brand lives up to its promise, then the customer can trust the company to deliver a high quality product or service as well as a consistently pleasurable experience that creates long-lasting memories. From a customer experience perspective, the ambience supporting a brand has almost as much value as do the products or services themselves. With quality and ambience guaranteed, a good brand translates into repeat business from satisfied customers. Marketing studies document the link between posi-

tive customer experiences, increased spending, and customer retention rates.

Service versus product companies

Is a company held more accountable to its brand message when its product is tangible? Is it more difficult for a service business to keep a promise because its products are less tangible? Perhaps it is harder to understand and assess the customer experience with services than with products.

However, Charles Schwab is often cited as an example of a financial services institution that repositioned its business to better accommodate customer needs. Based on extensive surveys and interviews, Charles Schwab gathered customer intelligence and responded to their needs with an array of innovative products and services. Through redesigned processes and products, the company positioned itself between mutual fund providers and the customer, becoming the customer's primary point of contact and creating an opportunity to sell additional products. They eliminated many customer annoyances such as call backs to verify trades, complicated procedures to change funds, and multiple statements, and they introduced innovations such as "high touch" branches to give new clients more personal contact. Even if service companies do face a more difficult challenge in defining and tracking a positive customer experience, Charles Schwab was able to get a real grip on a less tangible commodity, suggesting that other service companies can do the same.

The brand pros

All of us can think of companies whose brand earns kudos for not only products and services but also that *je ne sais quoi* special quality that puts it above its competitors.

Certainly Disney, with its fun and entertainment suffused with family values, comes to mind. Joining the ranks of Starbucks and Nike among the winning branding pros are Victoria's Secret with its sensuality and glamour, McDonalds with its consistency and appeal to all age groups, Ritz Carlton with its impeccable service and upscale surroundings, Nordstroms with its renowned and innovative customer service, and Sloan Kettering with its reputation as a "center of excellence" in the application of health care expertise.

In addition to high quality products, what these brands have in common is an ability to engage our senses and emotions in a positive customer experience that stands the test of time. Over and over, these companies deliver on their promises. They consistently meet or exceed customer expectations.

Brand disconnects

Likewise, we can all think of experiences that fall far short of what the company brand promises. Who has not encountered one of the following?

- Calling the 1-800 service line to change a mailing address or correct a billing mistake only to reach a person on the other end who can't resolve the issue or who adopts an attitude that it's all your fault
- Changing long distance companies, sorting through confusing calling plan options, or asking for an explanation of the numerous coded fees appearing on your phone bill
- Flying the "friendly skies" of delayed or cancelled flights, missed connections, or lost baggage.

The above experiences result in not only frustration and resentment but also cynicism toward a company promising a positive

interaction but instead delivering a headache. The customer is more likely to dread or avoid future contact than to seek out the company and extol its virtues. If, as in the case of certain utility companies, the customer has no option but to continue with the company, then he may vent frustration by bad-mouthing the organization at every opportunity.

Occasional lapses in company performance are sometimes unavoidable, but when the brand consistently fails to deliver its promise, something is sorely amiss.

What goes wrong

In general, senior management staffs use a thorough process to research the marketplace, analyze the competition, and carefully consider options. Through this work emerges a brand concept. Companies then spend millions of dollars on brand messaging and advertising, proclaiming the positive experience that customers will have with the company.

So what can explain the fact that, after allocating so much money to branding activities, the company fails to deliver on its promise? The disconnect between what is promised and what is delivered usually occurs with two business components: (1) the company infrastructure and (2) the company behavior.

Company Infrastructure

Brand integrity requires a company to build a tight management infrastructure to ensure a strong linkage between the brand concept and what actually happens on the front line. More often than not, only changes to the infrastructure – process change, job structure change, organization structure change – will enable the company to bring the brand to life as their employees interact with customers. For instance, in

companies traditionally structured around product lines or delivery channels and further segmented by regions, the organization may need to create new roles responsible for the total customer experience, especially if the company is managing a portfolio of brands. Likewise, companies may need to develop new metrics beyond existing quantitative measures in order to track the total customer experience. Most infrastructure changes have major implications for follow-on technology and employee training.

To begin the process of infrastructure change, management must identify all instances where customers interact with the company. For each instance, they must ask a series of questions:

- What is the consistent customer experience required at this interaction?
- What efficient and timely work processes will allow this experience to happen each and every time of contact?
- How do we measure the customer experience at this juncture?

It takes hard work over a long period of time to align the infrastructure and the customer experience. Through consistent messages about the promised customer experience, an alignment of these messages with infrastructure changes, employees supported by the appropriate technology and training, and metrics to track the customer experience, a company can deliver its promises.

Company Employees

Typically, employees on the front line have little input into brand thinking and receive minimal training once the concept is launched. In order for the brand to perform as advertised, employees must understand the brand promise and their role in making it a reality. Employees will benefit from the detailed review of job groups that should take place during the infrastructure changes discussed above. Ultimately, there must be

an alignment among the external and internal brand message and behaviors at all levels of the company. A company's brand only resonates with customers when the brand message is validated by employee behavior. Customers can see who really walks the talk and who doesn't.

However, it is not just customers who must believe in the company's brand – it's the company employees themselves whose belief is key. The strongest brands are those that capture the hearts of their employees and engage their loyalty. When a brand is real and of value to employees, it encompasses more than the company's products and services; rather, it creates a greater sense of purpose. In such cases, employees experience a real organizational fit and a commitment to the company. For some companies, their brand helps them to attract and retain employees who buy into the company's purpose. Who doubts that most Nike employees sport the "Swoosh" label, use "Just Do It" as their personal mantra, and have more than a passing knowledge of sports and fitness? How many Hewlett-Packard employees believe that the "HP way" is the right way,

drawing them into the company's mission? When company employees go beyond merely delivering the brand promise and instead embrace the brand in their own way of life, the brand has real power.

Brand integrity

Alarmed by eroding company integrity in the face of recent corporate scandals, consumers are turning a more jaundiced eye to their business interactions. Just as a brand that delivers its promise can earn and maintain consumer trust in a company, one that delivers inconsistent or poor results can undermine that trust. Especially in these times, the customer sees consistent brand performance as an indicator of broader company integrity. Any company CEO interested in lasting value and long-term company integrity must insure that the brand consistently delivers as promised. And, as leader of the company, the CEO's own integrity could be at risk when that company makes a promise that it doesn't fulfill.

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