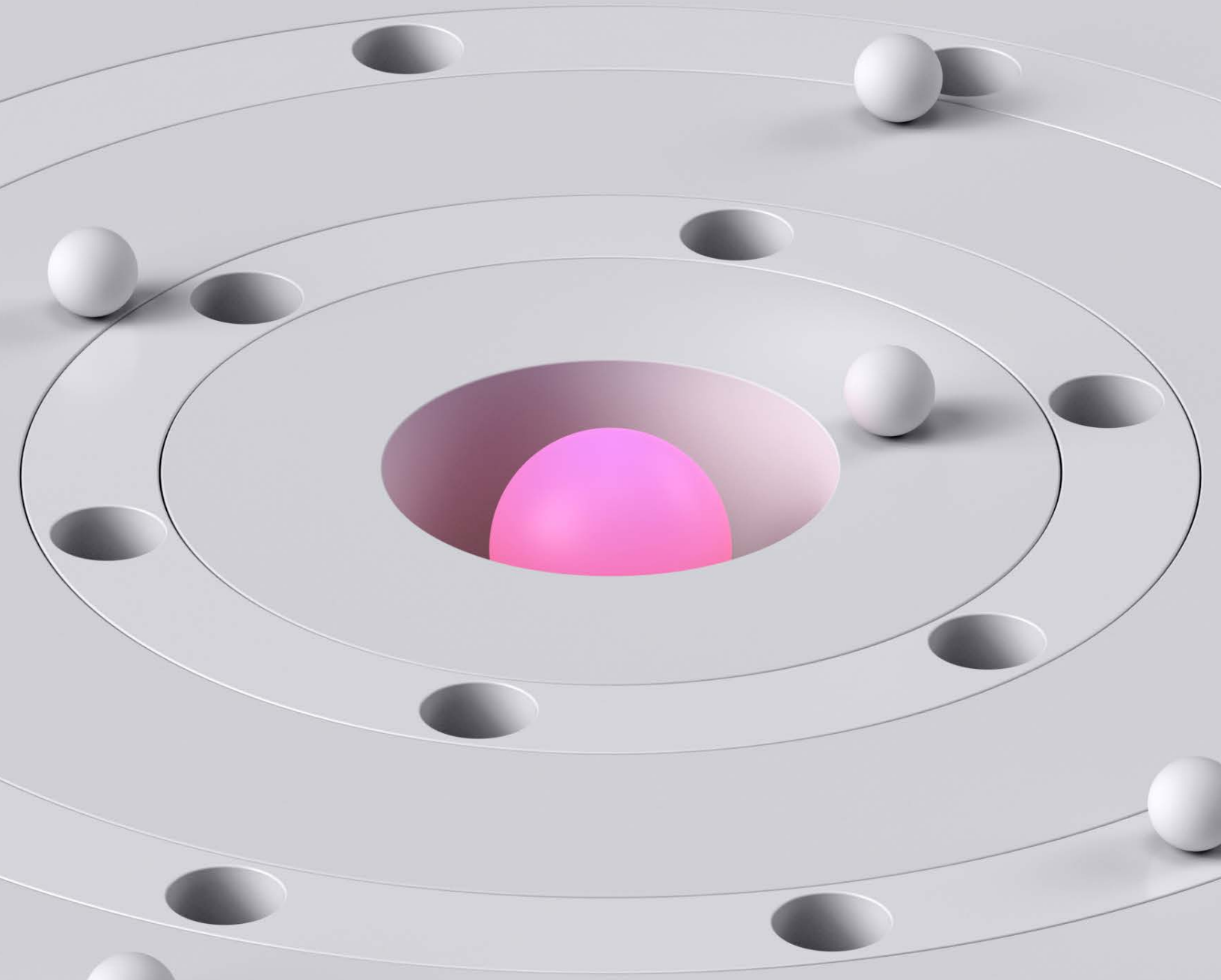
Building Go-to Brands From the Inside-Out

What it takes to accelerate your brand's potential through your people



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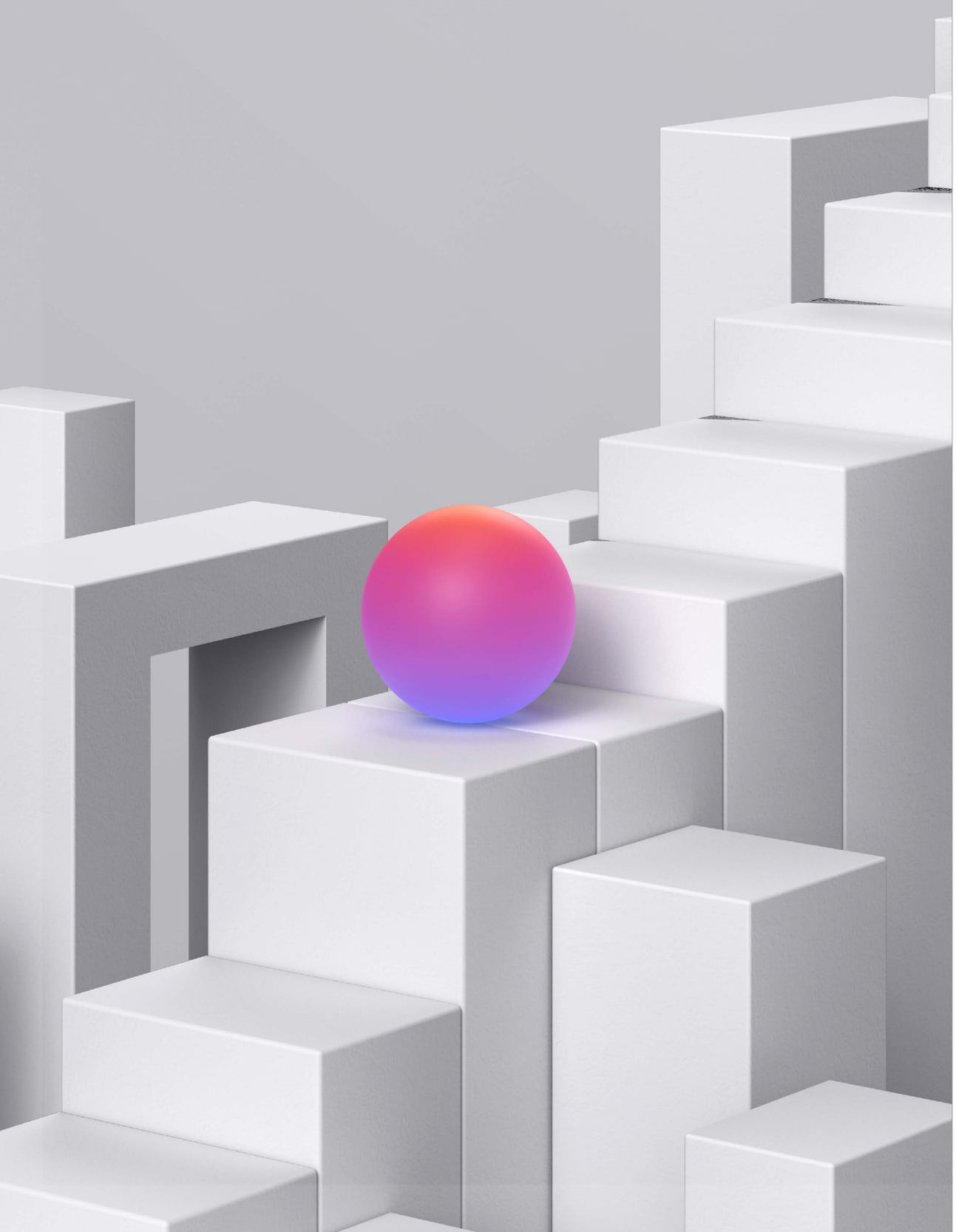
Sense Perspective

How are the world's strongest brands built?

Every company is looking for the next big source of growth; but it turns out that, for most companies, they've already found it—their employees.

New data backs that up.

If you want to maximize impact with customers, you can do that only from the inside out—by focusing on your employees first and then empowering them to deliver the brand to customers.



Over the past several years, we've analyzed some of the world's strongest brands—how companies create these brands and how they outperform.

We call these Go-to Brands.

The key finding from our latest study shows that Go-to Brands aren't built only from a customer-facing perspective. Rather, they're built through engaged, motivated employees who understand the company's brand, feel that they're a critical part of the brand's purpose and proactively deliver it to customers.

ASK YOURSELF:

Is your brand designed for your employees, on equal footing with customers? Do employees see the benefit for them, even as they're asked to deliver for customers?

Companies that get this right not only have a more fulfilled, energized workforce but also dramatically outperform the competition in terms of growth and resilience. They have greater employee retention and a more cohesive alignment around their brand, which informs every decision by every employee.

Even better, these companies outperform in financial terms. Yet, only one in four companies succeed—with those that do seeing year-over-year revenue growth 25% higher than the median. (See the "Methodology" sidebar for more details on our survey and terminology.)

If you're looking only at consumers when building or activating your brand, you're doing it wrong. That has always been true; but it's particularly true today, given the current shifts in individual priorities that accelerated during the pandemic. The rules are being rewritten in terms of what we expect from employees as they deliver for customers and, most notably, what employees expect from us as we help them do so.

Our research also highlights how to apply this approach at your company, including specific steps that you can take to understand your employees and proactively engage them around your brand so that they can serve and delight your customers. It's not an easy transition—among other things, it requires CMOs to think more like HR leaders and CHROs to think more like marketers—but it's eminently possible. In fact, to build a Go-to Brand, it's imperative.

How Go-to Brands outperform



SAMSUNG

airbnb

Most consumers are inundated with brands, but few have real meaning in their lives. Go-to Brands are those that people seek out, care about and open up to.

Their value comes from two main dimensions: **connection** (the love that customers have for the brand) and **progress** (the ability to achieve things they otherwise couldn't).

USAA®

Only a small subset of organizations outperform the competition in both dimensions.

These are winning companies—like **Southwest, Samsung, Airbnb** and **USAA**—that reap financial rewards for doing so and enjoy stronger customer ties, higher revenue growth and greater resilience than the competition.

METHODOLOGY

Brand Aperture℠ is specifically tailored to the task of building and sustaining Go-to Brands. This proprietary suite of tools reflects insights from over 50,000 consumers in 6 countries. In ***Brand Aperture℠ Engage***, we apply this framework to the colleague audience.

We surveyed approximately 1,500 employees across 1,000 companies in the United States. All respondents are employed by organizations with at least 500 employees and at least $1 billion in revenue, spanning a range of industries that include financial services, healthcare, retail, consumer goods, travel, hospitality and technology. Respondents represent a range of job functions and responsibilities, from administrative support and individual contributors to business leaders.

The Brand Aperture℠ suite of solutions, includes:

- ***Brand Aperture℠ Diagnose*** measures consumers' connection and progress with a brand, helping identify Go-to Brands.
- ***Brand Aperture℠ Engage*** quantifies the dimensions of employee performance in being both the audience and deliverer of Go-to Brands.

Both offerings generate benchmarks that can help companies assess their own organization's brand and employee engagement performance.

The fuel that powers Go-to Brands: Employees

A company's employees are also an audience for the brand; and, at a certain level, they require the same two elements of connection and progress. From an employee perspective, however, these elements are similar in principle but different in application. They're focused internally rather than externally.

Connection

The love that employees have for their organization. Employees feel connected to an employer that inspires and appreciates them, offers products and services that they believe in, recognizes them for their work, and cares for them as individuals.

Progress

The ability to achieve things you otherwise couldn't because you work at your organization. Companies create progress for employees by giving them a sense that they're part of something bigger than themselves. Progress also entails giving employees the flexibility and encouragement to thrive and perform at work, so employees have the support needed to bring out their best.

Both connection and progress are crucial in today's war for talent, especially given shifts in individual priorities that accelerated during the pandemic. Sure, that means providing employees with more flexibility for working in new ways and places. Still, more fundamentally, it means inspiring and appreciating employees (creating connection) and helping them thrive (supporting progress). It means treating them as critical stakeholders of the brand.

But employees aren't just an audience for the brand—they are also the brand's most important deliverer. And for employees to deliver a brand externally to customers, there's an important third element.

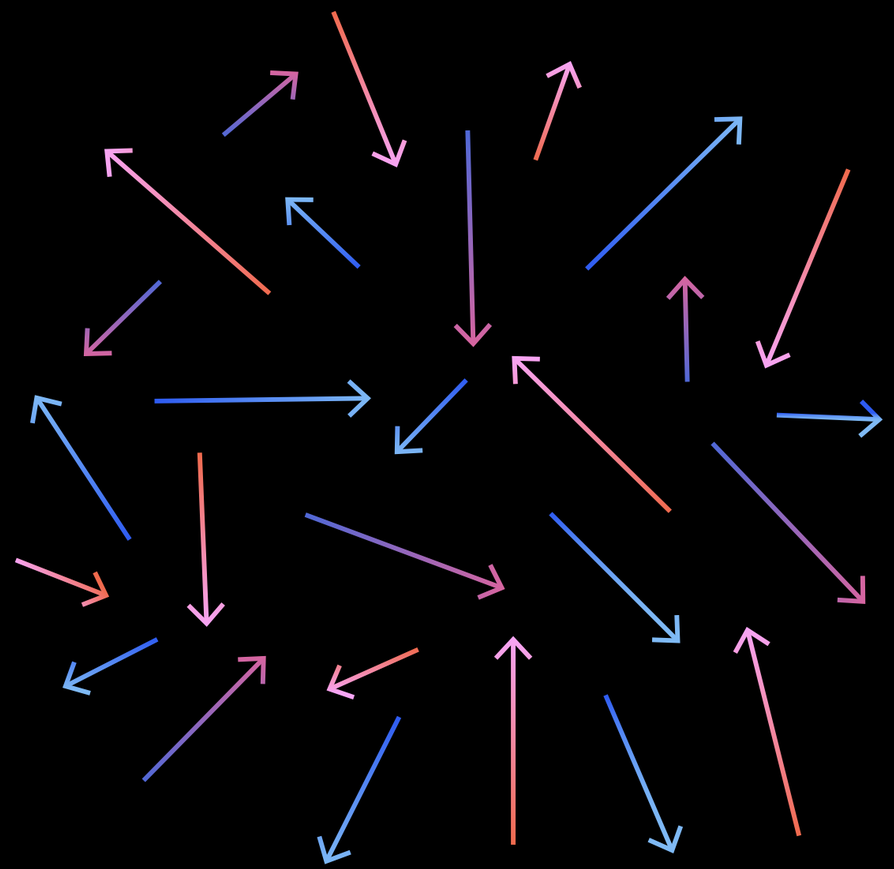
Enablement

Feeling empowered to act in support of your organization's mission and values. Enablement means treating employees not just as any other stakeholder of the brand but, rather, equipping them to act in support of the brand. Enablement is only possible alongside connection and progress: when employees feel supported and appreciated; when they take pride in the company's mission and what's in it for them; and when they have the tools, processes and incentives to deliver on the brand.

When companies provide connection, progress and enablement to their employees, the brand becomes unstoppable.

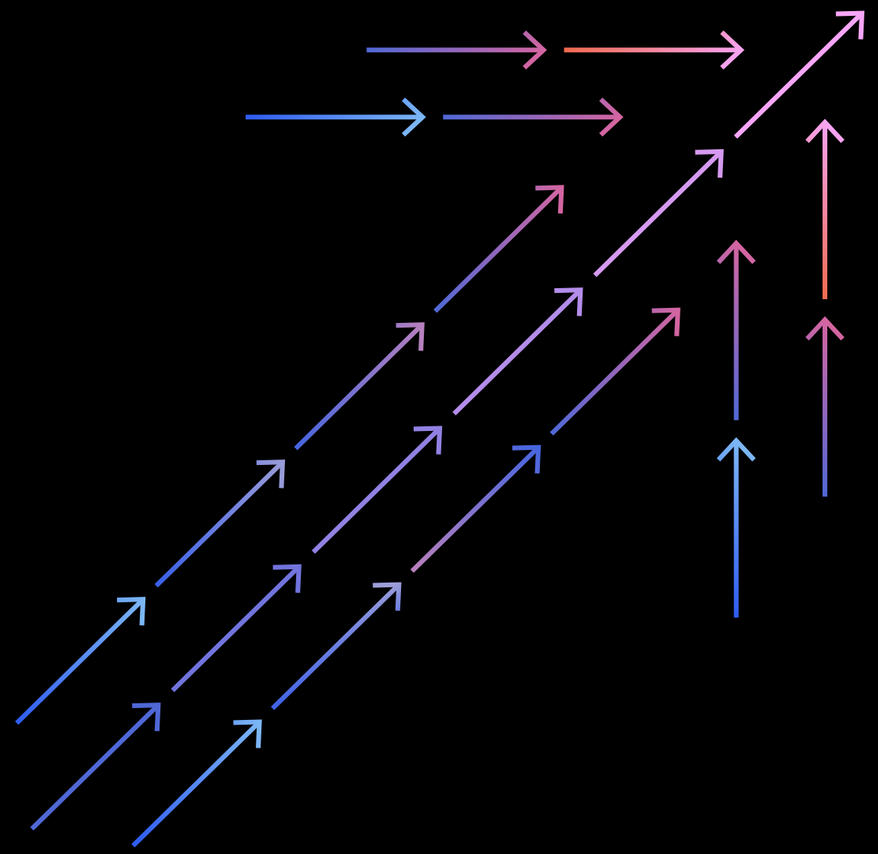
Connection and progress create a positive relationship and foundation for enablement—the real "unlock" in creating Go-to Brands. Enablement is a means of harnessing the energy and passion of every employee and aligning that in support of the brand in everything they do, every day. Without this kind of alignment, which is especially hard to achieve in today's hybrid/remote working environment, employees work at cross-purposes—and the organization becomes unmovable. When companies provide connection, progress and enablement to their employees, though, the brand becomes unstoppable.

Making the shift from unmovable



Unmovable

to unstoppable



Unstoppable

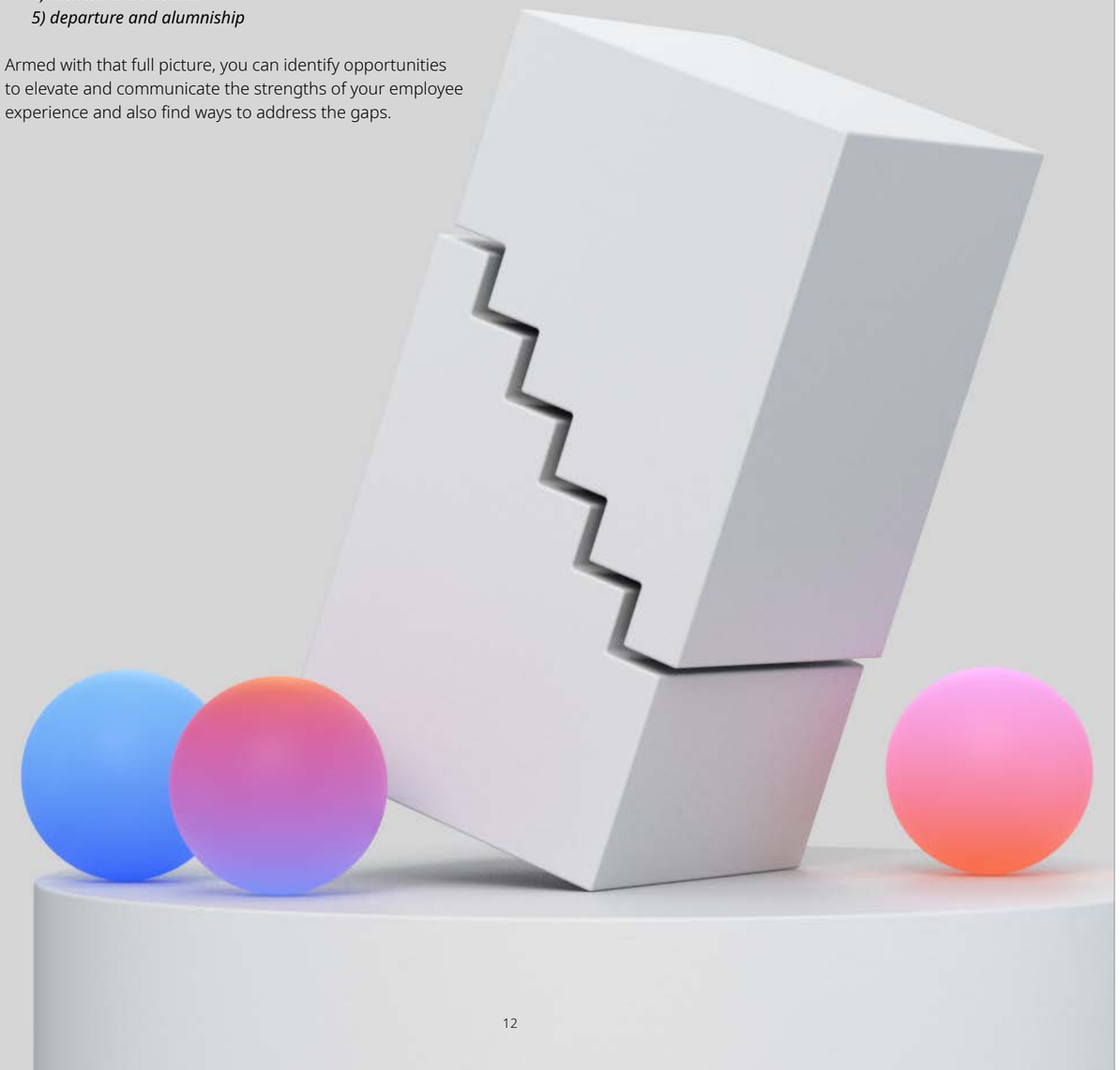
HOW CAN I START TO TREAT EMPLOYEES MORE LIKE CRITICAL STAKEHOLDERS OF THE BRAND?

Engaging employees more directly as key stakeholders requires examining the full employee journey—just as you would with a customer journey—and understanding where you're living up to your brand from an internal perspective and where you fall short.

We examine employee brand alignment across all stages:

1) recruiting and onboarding
2) day-to-day work and culture
3) learning and development
4) reviews and rewards
5) departure and alumnship

Armed with that full picture, you can identify opportunities to elevate and communicate the strengths of your employee experience and also find ways to address the gaps.



How do engaged, motivated employees lead to stronger brand performance?

- *They're more energized and willing to go the extra mile.* In our analysis, employees at the companies with the strongest performance in all three areas were 28 percentage points more willing to go above and beyond in their work.

- *They make better decisions.* Because these employees understand the brand, they can take actions in their day-to-day work to support it, reducing the need for command-and-control management.

EMPLOYEES AT COMPANIES WITH STRONG CONNECTION, PROGRESS AND ENABLEMENT ARE:

28%
more willing to go above and beyond

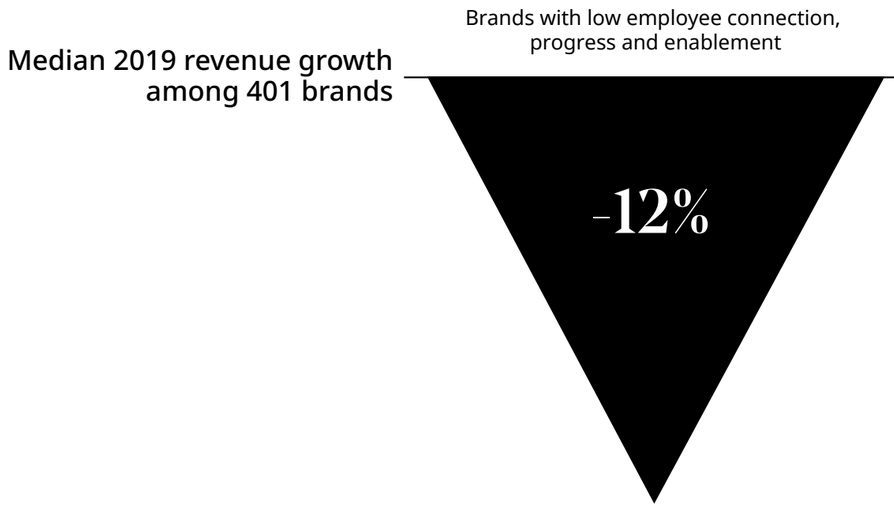
27%
more likely to stay at the company

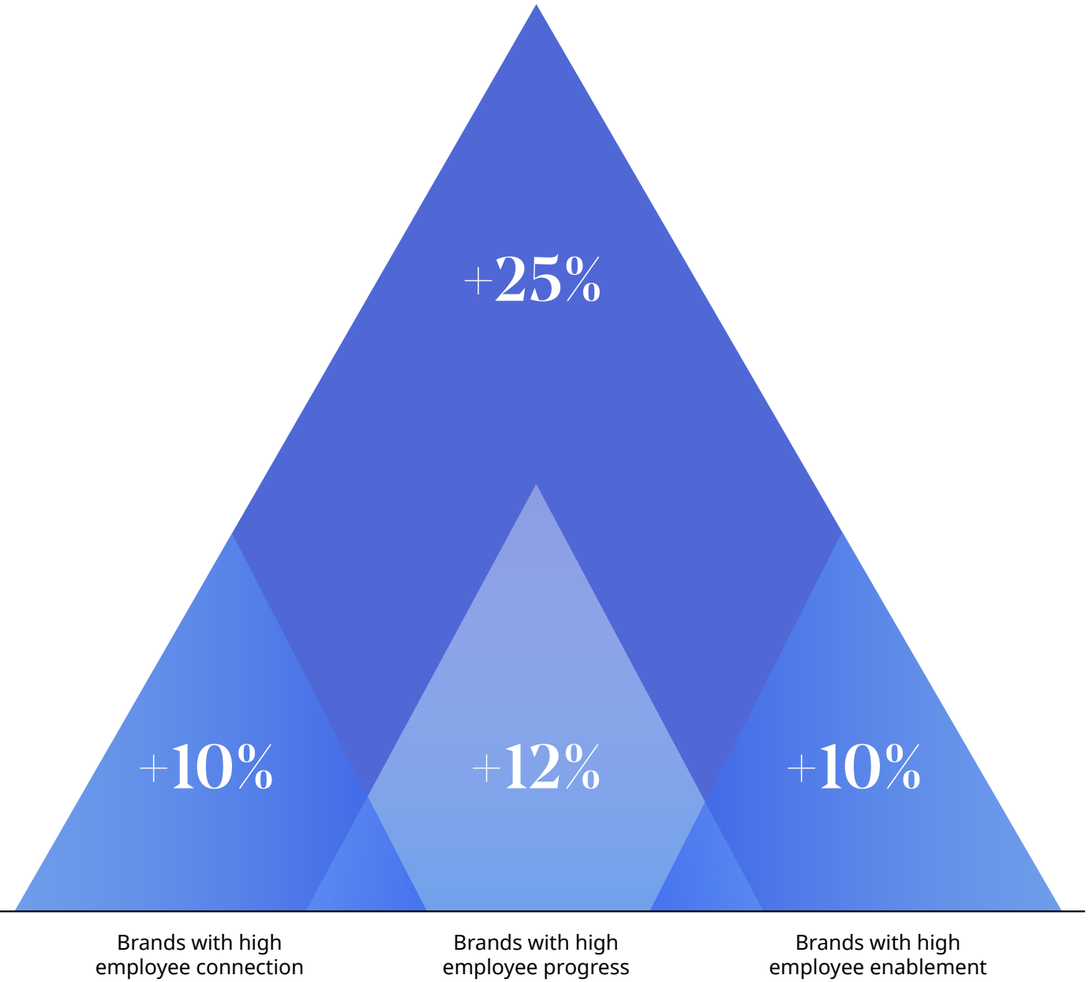
- *They can move faster and innovate to improve the customer experience.* Because they often see that experience in highly tangible, rubber-meets-the-road ways, they have a firsthand view of customer pain points and challenges, and they can propose and implement solutions for improvement.

- *They stay.* These employees tend to have longer tenures at a company—a 27 percentage point improvement in stated intent to remain at the company. That leads to advantages not only in labor costs but also in fostering a cohesive company culture that perseveres over time.

The companies that have high connection, progress and enablement outperform their peers

Despite the promise of this approach, it's still a largely untapped driver of success. In our analysis, only 28% of employees believe that their companies deliver strong connection, progress and enablement. Yet, those companies reap significant financial returns—year-over-year revenue growth that is 25% higher than the median in our sample. Perhaps not surprisingly, companies that have low connection, progress and enablement see revenue growth that is 12% lower than the median.





Source: 2019 revenue growth percentage among 401 brands. N=900, Brand Aperture℠ Engage

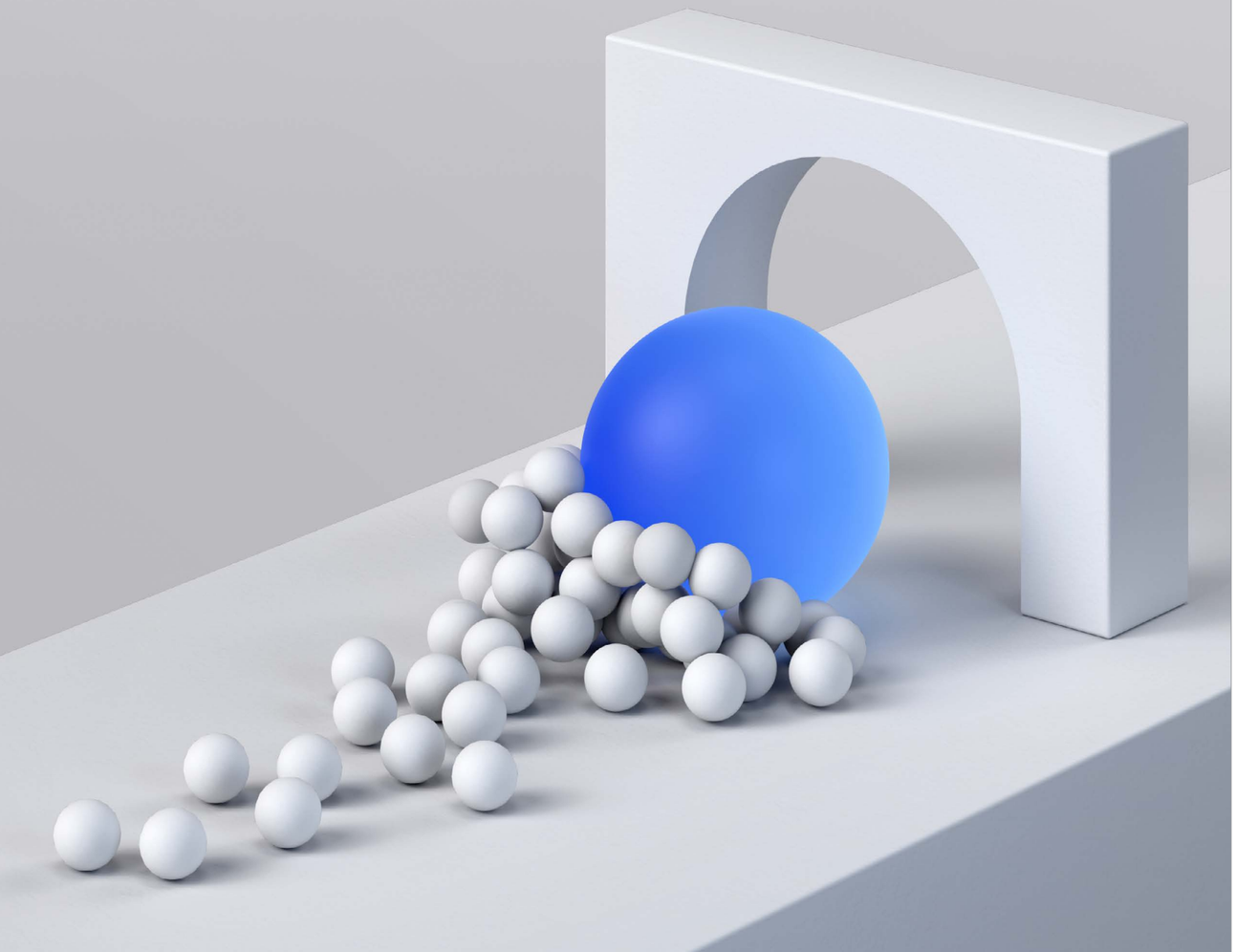
WHO DOES THIS APPROACH APPLY TO?

When building the brand from the inside out, perhaps the most important thing to recognize is that ***all*** employees play a role in delivering the brand—not just those in customer-facing roles and functions but also internal support roles, as well, such as finance, HR, IT and operations.

Whether by defining behavioral norms to deliver the brand or by supporting individual functions to incorporate the brand into their own processes, the critical shift is in thinking of brand delivery not as something closely held by marketing, sales or frontline employees but, instead, as something everyone in the organization owns, shares and feels responsible for delivering.

Go-to Brands empower all employees to deliver the brand promise in tangible ways in their day-to-day work.

Compliance is a good example. That function may seem like it doesn't have customer-facing implications. The traditional mindset is to incentivize employees to prevent organizational missteps; they're rewarded for being conservative. But when employees in the compliance function truly understand the brand, they can help the organization better manage the tradeoff of risk and return—through the lens of the brand's purpose—in ways that can positively impact the customer experience.



When CMOs partner with CHROs

This idea has major implications for CMOs. In an era of radical transparency, where all aspects of the customer experience need to live up to the brand's purpose and commitments, we can't afford to leave out employees when creating a robust and aligned customer experience.

Walking the walk must happen both internally and externally. As CMOs take on increasing responsibility not just for the brand but also to build the business holistically—they need everyone to believe in the brand purpose and where the organization is heading, they need to see the value of that in their own work and how each person is a part of getting there—whether they directly engage customers or work behind the scenes in operations or technology.

The solution is for CMOs and CHROs to collaborate in more meaningful ways. For example, HR leaders can use the systems and tools of marketers, in terms of capturing their internal brand insights, and emotionally engaging with colleagues to create positive momentum. Marketers, for their part, can use HR's skills in building a compelling and rewarding experience across the employee lifecycle, from recruiting to recognition and rewards programs. When this synergy is created, it feels intuitive and revitalizing, not challenging, and unlocks new momentum.

When CMOs and CHROs collaborate in new ways, an intuitive and revitalizing synergy is created, that can unlock new momentum.

In other words, CMOs need to start focusing internally rather than just externally and treating employees as core stakeholders of the brand.

At the same time, the work of CHROs will need to change, as well. Traditionally, these leaders have focused on putting people in the right roles and providing the skills that they need within a healthy work culture. They haven't needed to consider the company's external brand. Reorienting their work and rallying employees to deliver on the brand requires different skills and adds a new layer of challenge—but also inspiration.

Five guiding principles for success

Companies have all gone through multiple transformations over the past decade, and there's a real risk of initiative-fatigue among employees.

The default among many workforces is to say that this is just one more initiative; wait a few months for it to blow over, and we can all get back to the old way of working. But the stakes of brand transformation could not be higher. Get the vision wrong—or fail to deliver it in a consistent, authentic way—and you'll lose both your customers and your employees forever.

For that reason, the activation of any effort is crucial. From our experience working with companies, five principles will boost the odds of success.

1. Model from the top

2. Engage employees to shape the change

3. Mobilize through authentic emotion

4. Make the change tangible

5. Sustain success through culture

1

Model from the top

The entire C-suite needs to be fully on board, clear on the overall vision and committed to making change an enterprise-wide priority—not just for change's sake but, rather, to acknowledge employee engagement and brand delivery as integrally linked and critical to driving their own business and strategic vision. To convince skeptics that the program is real, leaders need to send early, powerful and meaningful signals.

How? Commit the required resources in terms of time, capital and talent; be highly visible and public about the initiative in order to build momentum and excitement; and be open and thoughtful about new ways of working, for themselves and for their teams, in order to fully support a branded experience both inside and out. It's also critical for these behaviors to be sustained, not just delivered for a single campaign cycle.



When CVS Health communicated its vision as a consumer health company, it very publicly announced that it would stop selling tobacco products in all 7,600 stores. A single decision forfeited $2 billion in revenue, but that near-term revenue hit effectively signaled—to its customers, its 200,000 employees, and its 26,000 pharmacists and nurse practitioners—that CVS had a long-term commitment to help people on their path to better health. And according to recent analysis from the American Journal of Public Health, the decision contributed to a drop in tobacco purchases for all retailers. In short, cigarette smokers stopped buying elsewhere, too, clearly delivering on the company's higher purpose.

Not only did CVS's bold statement serve a broader public good, but also it reaffirmed CVS Health's helm as the U.S.'s leading pharmacy. The decline in front stores sales was massively eclipsed by pharmacy services revenue growth, which increased by 15% per annum in the following five years. Furthermore, CVS received a litany of praise from health organizations—even then President Barack Obama—and likelihood to shop at CVS increased over 40% on a relative basis.

What bold moves can you make to signal leadership's commitment to a higher purpose?

2

Engage employees to shape the change

If living the brand is reserved for the executive suite, without the support and engagement of employees, the effort won't make an impact or drive real change. Employees will simply shrug it off. Instead, you need to build the program to drive grassroots ownership and immersion.

As early as possible, enlist all employees in the transformation and give them a real voice in designing changes. Promote and celebrate early successes—specific contributions that lead to significant improvements. And empower people to voice concerns or make suggestions for improvement at all stages of the transformation.



When Hawaiian Airlines wanted to refresh its brand, they didn't confine the project to the C-suite. Representatives of the company's 6,500 employees—from pilots to aircraft mechanics to guest-service agents—provided input as to what makes the company so special, which values they needed to celebrate and which visuals meant the most to them.

The result: a brand that amplifies the proud island heritage and elevates the warmth, care and generosity that are hallmarks of Hawaiian hospitality. In short, "Aloha in everything we do." The employees helped launch the refreshed brand at a company-wide event with the CEO. They also took center stage in a public-facing video announcing the refreshed logo, telling their stories and reinvigorating connection to the brand.

How can you ensure your employees are central to every stage of building a better brand?

3

Mobilize through authentic emotion

Brand connection with customers lives or dies depending on how the experience makes them feel. The same principle is true for employees. All efforts need to work on a rational level and—even more importantly—on an emotional level, capturing employees' hearts and spirits to build dedication and pride in the organization and where it's going.

The experiences and communications need to be crafted carefully to align with the existing culture at the organization. (What works for a legacy B2B manufacturer, for instance, won't work for a young retail brand.) Employees are highly attuned to inauthentic gestures; if the gesture is not genuine, they won't buy in and won't actively contribute.

How did DuPont ensure that every employee felt a part of this inspiring future? During the launch, in addition to large, inspiring colleague events that included stories of how the businesses meaningfully deliver on the purpose, DuPont created a sense of shared identity in which all employees could see their role as "Makers of New." Even little things, like revamped nametags that encouraged employees to fill in the blank ("Maker of _____"), not only brought the new brand to life but also made every employee feel part of an inspiring future.

When DuPont spun off on its own, the company needed to retain the best of its 200+-year heritage while also signaling a future-forward vision. Creating a strong sense of shared purpose among employees was essential to building momentum toward a dynamic brand that stood for customer-centricity, collaboration and transformative innovation.

4

Make the change tangible

Success requires that broad, abstract concepts get translated into very tangible changes in an employee's day-to-day work—in two ways.

The first way is in value to employees through initiatives like aligned rewards and incentives or a set of brand-aligned professional development opportunities that reach beyond their stated role in the organization.

The second way is in supporting employees as they make the brand real for customers, which means giving employees an intuitive sense of what's now required, clear guidance and a clear payoff for getting it right.

Training sessions used real-world scenarios to answer critical questions:

What is my role?

What experience am I supposed to create for our guests?

What am I supposed to do differently?

Hawaiian Airlines didn't stop at celebrating its new brand. Employee ambassadors led interactive training across the organization on how to "connect people with aloha" and bring the values of care, hospitality, collaboration and excellence to life.

After catalyzing action with interactive training, employees focused on bringing the brand to life; a "values journal" and a new "pride pin" helped build employee appreciation. Making it real for every individual helped inspire connection, progress and enablement in a way that is authentically and uniquely Hawaiian.

5

Sustain success through culture

Lastly, successful brands need to be embedded into the organization culture through important moments, both formal and informal, in the employee journey. The goal is to build a shared set of norms, practices and even rituals that include all employees and reinforce the brand's key attributes.

A leading financial-services firm created an annual CEO-sponsored employee awards program to signal commitment and celebrate exemplars who go above and beyond to deliver on the brand's purpose.

Each year, teams define dozens of award categories that deliver on key values—from client service to social responsibility. And each year, the teams receive hundreds of idea entries for how the brand can grow and better deliver on its purpose. Global employees vote on their favorite ideas, effectively engaging and unifying the hundreds of thousands of team members. Award winners are honored by the CEO, and their ideas are resourced—making this much more than just a symbolic gesture but, rather, a way to build cultural norms and drive real innovation at the firm.

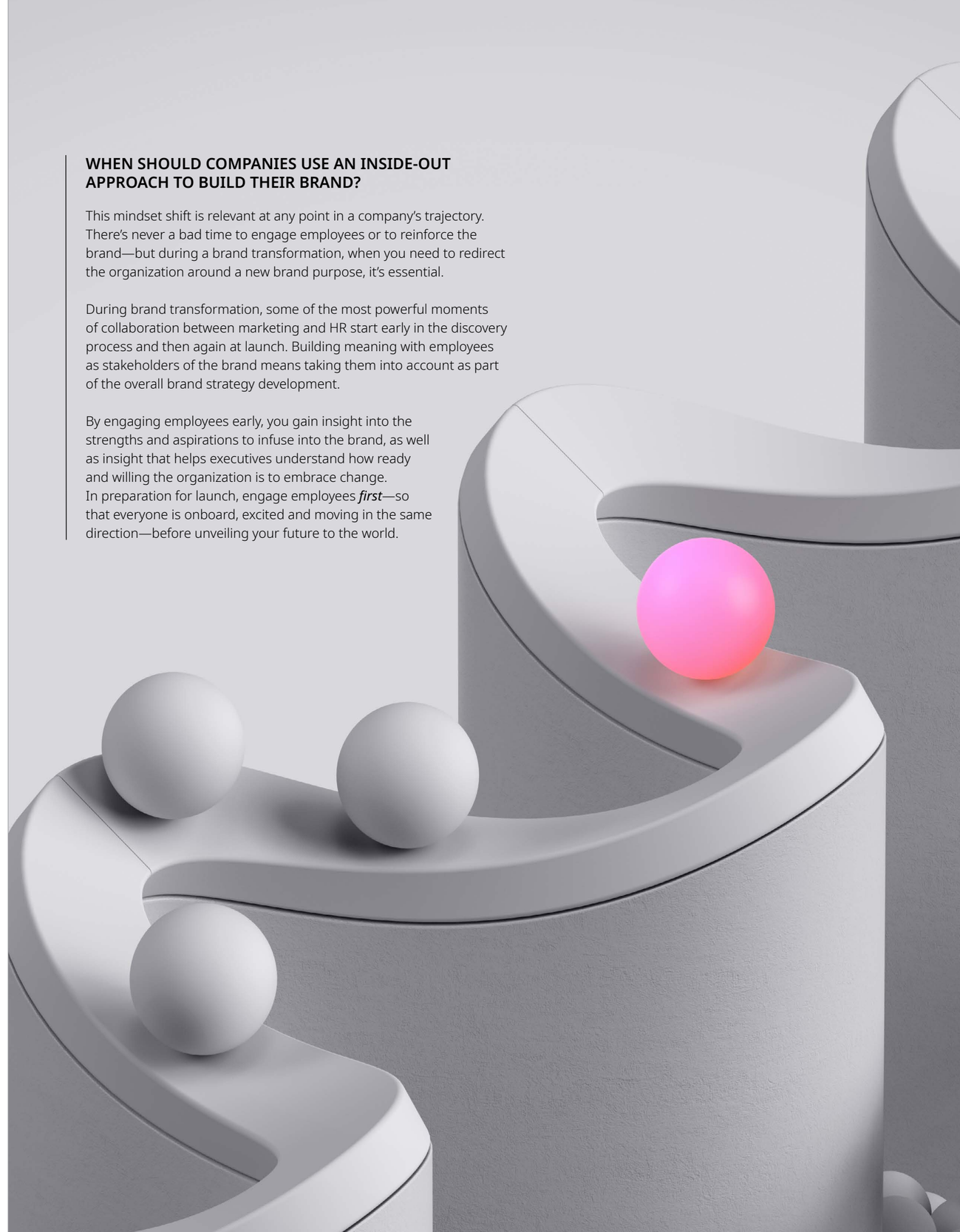
What new rituals can your team start to reinforce the values of the brand?

WHEN SHOULD COMPANIES USE AN INSIDE-OUT APPROACH TO BUILD THEIR BRAND?

This mindset shift is relevant at any point in a company's trajectory. There's never a bad time to engage employees or to reinforce the brand—but during a brand transformation, when you need to redirect the organization around a new brand purpose, it's essential.

During brand transformation, some of the most powerful moments of collaboration between marketing and HR start early in the discovery process and then again at launch. Building meaning with employees as stakeholders of the brand means taking them into account as part of the overall brand strategy development.

By engaging employees early, you gain insight into the strengths and aspirations to infuse into the brand, as well as insight that helps executives understand how ready and willing the organization is to embrace change. In preparation for launch, engage employees ***first***—so that everyone is onboard, excited and moving in the same direction—before unveiling your future to the world.



Getting started

Regardless of whether you're at the start of a journey to transform your brand or you're making progress on a new brand direction and are ready to more fully realize it from within your organization, a quick quantitative assessment can identify your strengths and gaps—arming you with insights to inform the work that you already do as a brand and as a business in order to recruit, engage and train your people.

Your perceptions are a good place to start.

How many employees in your organization do you think would respond positively to the following?

Connection

What portion of your employees would say:

- [ ] They love your company?
- [ ] Your company inspires them?
- [ ] They feel appreciated as people and for their contributions?

Progress

What portion of your employees would say:

- [ ] Your company helps them advance in their careers?
- [ ] They are proud to be part of the company, and where it is heading?
- [ ] Your company brings out their best?

Enablement

What portion of your employees would say:

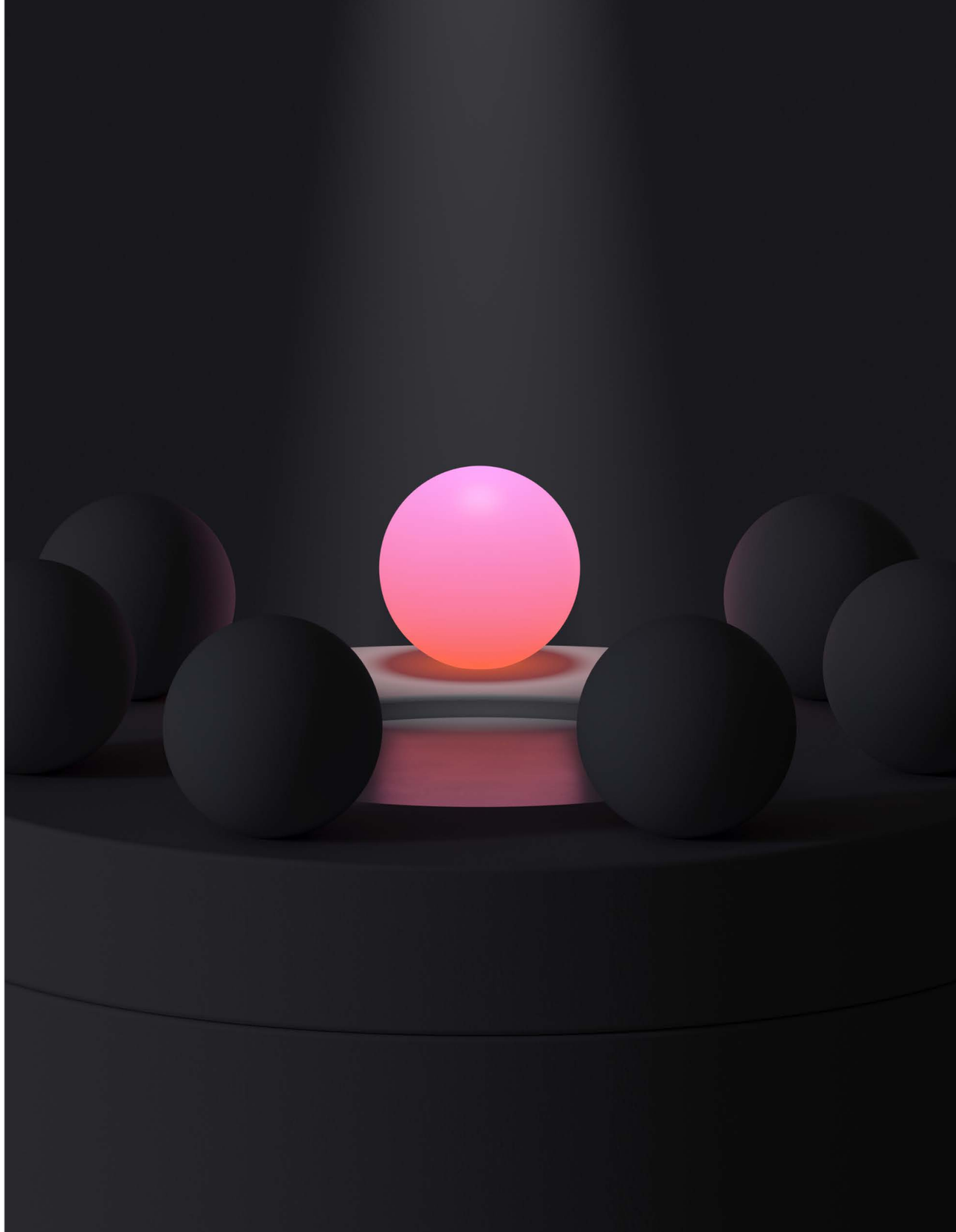
- [ ] They feel empowered to act in support of your company's purpose?
- [ ] They have a clear story of where you're headed as a company, and their role in it?
- [ ] They have the tools and training to deliver for customers?

Building Go-to Brands from the Inside-Out

CMOs understand that the best brands embody the DNA of the organization, with all elements aligned around a central promise that the company can consistently deliver.

At the same time, you can't create meaning in the lives of your customers unless you first create meaning in the lives of your employees.

For those reasons, Go-to Brands must be built—can only be built—from the inside out.



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