corvirtus™

BUILDING YOUR BRAND FROM THE INSIDE OUT:

An Introduction to InsideOut Branding®

"You don't have a brand until your customers say you do."

Tom DeCotiis, PhD
June 2019

It was Charlie's dream car, and he knew what he wanted right down to the color of the floor mats. Charlie placed his order and began the wait for his new ride. It felt like forever, but after three months his dream rolled off the delivery truck exactly as Charlie wanted it – except for the color of the floor mats. They were black rather than the brown he had ordered. So he asked the "sales professional" about the mismatch: "It does not come with brown floor mats" – and that was her story right up to the moment he poked his head inside a similar model on the showroom floor and saw the exact floor mats he had in mind. While back-peddling on her earlier explanation, she told him that the other car was sold, and that he would have to wait a couple of weeks for his "special order" brown floor mats. A month later, Charlie was still waiting for his perfect floor mats — and living with a customer experience very different than the one he expected to have.

Stuff like this simply does not happen if you want to build a vibrant brand that stands the test of time and competition. If you are going to do it, you have to suffer the pain of discipline and recognize the bedrock of a brand's value in the most boring of human needs; namely, the need for predictability. People do not like surprises! They want stuff to happen in ways that fit their expectations and that do something else: feed their sense of belonging and significance. Go back and re-read Charlie's experience and you will see that the "sales professional" disrespected and demeaned Charlie and his dream. Charlie will get his dream car, but it will always have a little emotional dent in it, despite the manufacturer having spent billions to build the brand's promise and the dealership's personal commitment to keeping it.

"GETTING TO KNOW YOU, GETTING TO KNOW ALL ABOUT YOU . . ."

Getting to Know You is a wonderful song from the King and I. Julie Andrews starred in the iconic musical and sang it with such warmth and enchantment that it made me think of a brand even though I'm pretty sure that a brand was not what she had in mind. Nonetheless, the song's lyrics beautifully describe the brand building process:

"Getting to know you

Getting to know all about you

Getting to like you

Getting to hope you like me

Getting to know you

Putting it my way

But nicely

You are precisely

My cup of tea"

These lyrics are the very essence of a great relationship – and relationship building is the essence of brand building. Who are you? What do you stand for? Will I like you? Will you like me? These are the kinds of questions people answer as part of the day-to-day process of living with and depending upon other people. Strong and healthy brands are not only predictable; they are likable and address our insatiable need for belonging and significance. Our answers to these questions help us to zero in on the likeability and character of another person to affect our decision to invest our time and emotions in building a relationship.

It's no different for the stakeholders of an enterprise; they too seek answers to have to decide whether they want a relationship with the enterprise. There are four core questions that stakeholder's ask an enterprise:

1.   "What will I get from this enterprise?" "Is it something I value?"
2.   "How will getting it make me feel?" "Is it something that I want to feel?"
3.   "What does getting it say about me?" "Is it something I want others to know about me?"
4.   "What will it cost me for what I get, how I feel, and what is said about me?" "Is it worth the investment?"

A brand builder's job is to ensure that his or her enterprise delivers compelling answers to these questions; everything else that is done is done to ensure that the brand provides right answers as right answers determine not only the nature of the brand, but the value of the enterprise.

A vibrant brand – one that is a strong and healthy brand – is not an accident any more than a beautiful song is an accident. Strong and healthy brands are built on purpose on a foundation of clear and informed intentions, and brand building skills that create a predictably compelling and differentiating experience. I'm sure that you can think of some of your favorite enterprises that thrive on the basis of compelling and differentiating stakeholder experiences. One that comes to mind for me is Southwest Airlines for several reasons that I will get into in a bit. Woody Allen said that his preferred path to immortality was not through his work, but by not dying. So it is that a strong and healthy brand endures not because of its past achievements, but because it is loved, alive, and vibrant in the present.

INSIDEOUT BRANDING™

The meaning derived from the experience of an enterprise is a commonsense definition of a brand. Whatever the brand, it has its source in the feelings, thoughts, memories, and intentions created by the experience. For example, I see finger prints on the entry to a restaurant and I immediately feel a bit disrespected, wonder if the place is clean, and have formed an intention to not come back. The rest of my customer experience will have to overcome this negative first impression if I am to have an experience worthy of repeating. Assuming that the rest of the experience is repeated for me (and thousands of other customers), the restaurant will build a strong and healthy consumer brand.

While the customer brand typically receives most of the attention of a company's brand builders, it's smart to remember that it is not built in a vacuum. That's because employees (and often, suppliers too) are the faces, hearts, and hands of any customer experience, particularly in any labor intensive industry such as retail, healthcare, and hospitality. In a real sense, they are "The Brand!" And it's hard to imagine that employees can (or will) consistently deliver a better experience to customers than the one they themselves are having. Hence, Tom's first law of consumer brand building:

The strength and health of the employee brand is the upper limit to the strength and health of the customer brand.

Virtually all leaders get the importance of delivering a compelling and differentiating customer experience, and mark their importance with rallying cries such as "exceed customer expectations" and "raise the bar." Having said that, few of them recognize that a compelling and differentiating customer experience has its roots in a compelling and differentiating employee experience. Fewer still buy into the fact that a company has to go beyond the current trend of ensuring that employees understand the consumer brand, to delivering an employee brand of equal power, and that includes the customer experience as one of its attributes. I will return to this point in the discussion of brand positioning that follows.

Vital Brands and the Core Idea

A strong and healthy consumer brand is one that is relevant to and resonates with customers and can be visualized as a three-legged stool. The seat of the stool is brand vitality, supported by:

- **Fidelity** to the company's core idea.

- **Integrity** between intended meaning (brand position) and the delivered meaning (experience).

- **Alignment** with the consumer brand by the company's employees and other internal stakeholders.

A company's core idea answers the question of what is compelling and differentiating to consumers and, ideally, to its other stakeholders as well. For Tampa, Florida home builder Homebuilding Partners it's a beautiful home built to last. As it is with Homebuilding Partners, companies typically answer this question in terms of their customer-stakeholder, but a better strategy is to answer it for all stakeholders. The latter was the approach taken by the founders of Outback Steakhouse when they defined the company's core idea as "Taking care of people." For its customers, the idea was translated as "My favorite place to eat, drink, relax, and be with friends" and for employees as "A great place to work, have fun, and make money." Both are obvious alignments with the company's core idea in terms of what is relevant and resonant to customers and employees, respectively. Adherence to the core idea across stakeholders and ensuring overlap between promise and execution for each stakeholder enables the vitality of a customer brand to be enhanced and reinforced.

Brand Building from the Inside

Consistent execution of a customer experience at a level that differentiates it in the market is largely the result of having the right culture. Period. Therefore, building a vital brand depends on a company's leaders' ability to build a strong and healthy culture. That's because brand building is an internal process that originates in the values and beliefs of a company's leaders and how they are actualized through goals, policies, procedures, and individual behavior. Figure 1 presents this relationship.
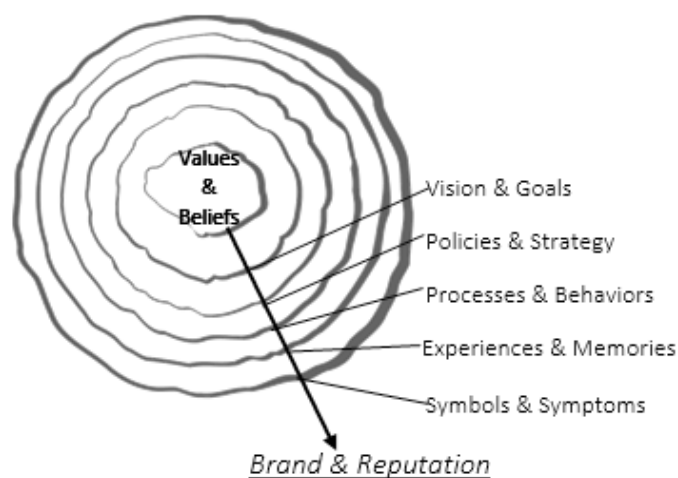

Figure 1 The Culture-Based Nexus

An onion is a fitting metaphor for culture. Neither reveals much by looking at it, both have an observable outer skin, several layers beneath the skin, and a heart that determines the quality of the onion. Leader values and beliefs are the heart of an enterprise's culture and represent its human goodness (morality) and conception of success and how it is achieved.

Culture is the shared mental models of success and how it is achieved that govern an enterprise.[1] In light of this definition, everything that leaders do from their vision and goals, through their policies and strategies to internal processes and individual behavior are geared toward delivering the intended stakeholder experience and creating the intended stakeholder memories. The first-level result of this alignment are the enterprise's symbols (e.g., Nike's Swoosh and IBM's blue) and symptoms (e.g., sales, profit, and market share).

It is the layers of culture that create the meaning and mystique of an enterprise – The Brand – and its reputation (i.e., the assumed to be true across users and non-users). This link – chain really – from values and beliefs on out to brand and reputation is why brands are built from the inside out. It also explains why efforts to build and, particularly rebuild, a brand from the outside in (usually, imaging efforts) are typically disappointing vis-à-vis symbols such as sales and profit.

[1] DeCotiis, Tom & Erhard, Marta, What is Culture, Corvirtus, LLC, December, 2017. http://corvirtus.com/what-is-organizational-culture/

Having the right culture means having the right people working on the right things to ensure a consistent and valued stakeholder experience, starting with a consistent and valued employee experience. In a nutshell, this is what best-in-class companies do. In contrast, the leaders of mediocre companies spend a disproportionate amount of their time on promising their company's consumer brand and too little on the disciplines of its execution through a valued employee experience and employee brand. This all-too-common problem has led to the identification of four principles of brand building:

1. A stakeholder valued enough to be named, is worth its own brand.

2. The value of each stakeholder brand has to be on par with the value of every other brand.

3. The customer brand is the anchor for the creation of each stakeholder's brand and its alignment with every other stakeholder's brand.

4. The consumer brand building process begins inside the company with the building of a viable employee brand.

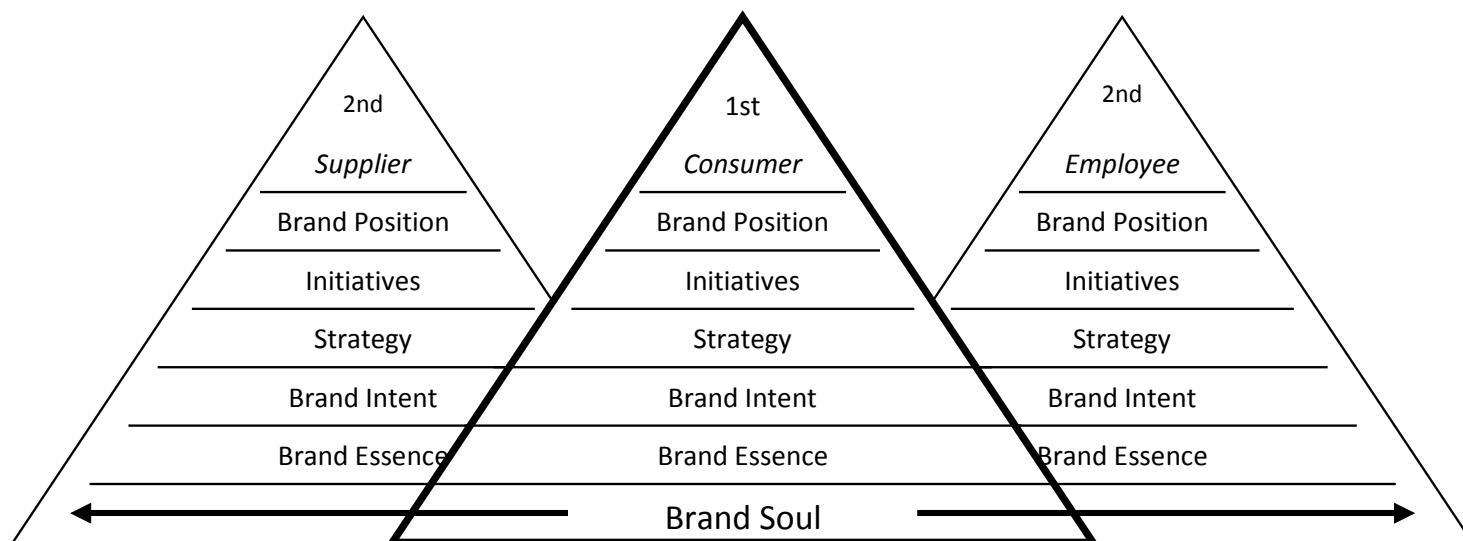These principles are illustrated by the InsideOut Branding™ (IOB) Model.

Figure 2 InsideOut Branding® (IOB) Model

As shown in Figure 2, internal stakeholders must understand and commit to delivering the intended customer experience. This level of engagement requires that internal stakeholders have experiences that are uniquely their own and equally as relevant and resonant as the customer's experience. The first brand to be articulated is the consumer brand, even though it is not the first to be implemented.

When General Motors was in the process of creating the Saturn car, building its manufacturing plant, and hiring its staff, the intended customer brand had already been articulated. But it was years until it was implemented and only after the intended employee and supplier experiences had been established in the ramp up to full production. The supplier and employee brand pyramids, labeled 2nd, are conceptualized after the consumer brand. This was the case with Metro Diner when it defined its brand essence as "Where the locals eat." This goal was institutionalized in the employee brand as the promise to deliver "100% Guest Satisfaction" and being "A good neighbor and friend." The point: The relevant parts of the consumer brand must be incorporated into each internal stakeholder brand; typically, as its promise to customers.

BRAND ARCHITECTURE

Architects begin the process of designing a building by sketching elevations from several different perspectives. Similarly, a consumer brand's perspectives can be sketched by its builders. By sketching, I literally mean drawing a picture of the brand based on a company's core idea, values, and business model. In this way, insight into what is structurally necessary to support the customer's experience becomes obvious. An example of this kind of displayed thinking is shown in Figure 3.
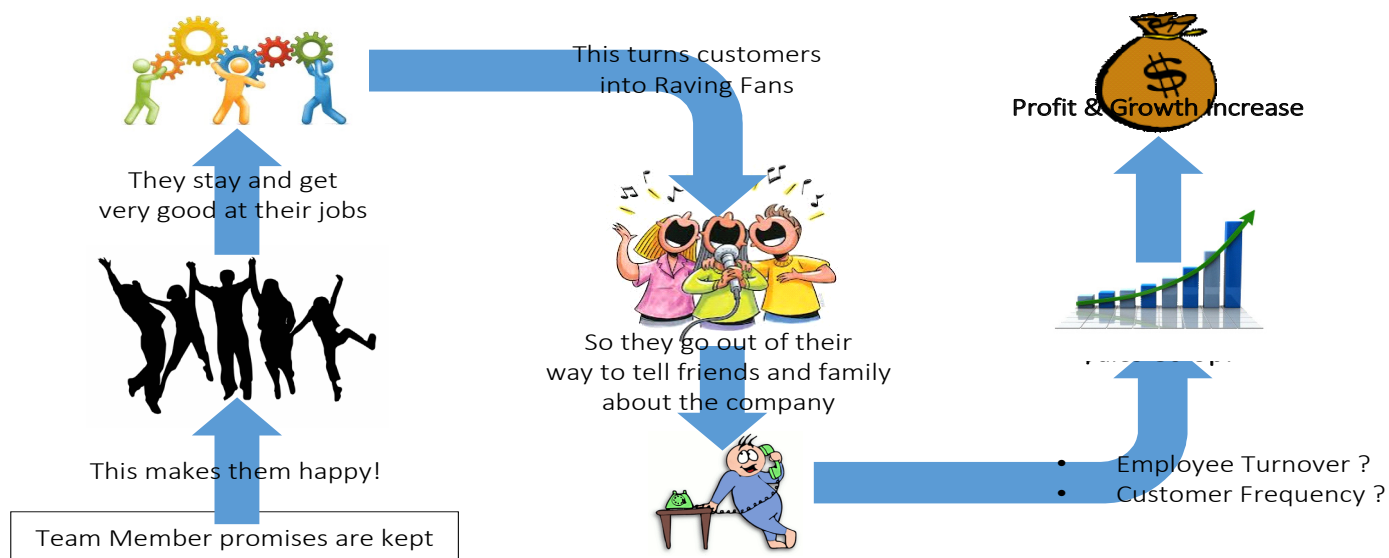

This turns customers into Raving Fans

They stay and get very good at their jobs

Profit & Growth Increase

So they go out of their way to tell friends and family about the company

This makes them happy!

- Employee Turnover ?
- Customer Frequency ?

Team Member promises are kept

Figure 3 A Picture is Worth a Thousand Words

This is the simplest of all business models. What it says is that when a company keeps its brand promises to employees, they become fired-up to stay, perform, and more consistently keep the company's promises to customers. Turnover goes down and customer frequency, referrals, sales, profit, and growth go up – and a strong and healthy consumer brand is built. I have used this diagram many times to provoke discussions of "the brand" and business model and to teach entry level employees the business of a company. It has never failed me; particularly, when it's customized to the company's vision and intended stakeholder brands. [2]

The Path Most Traveled

The conscious development of a consumer brand has traditionally been the starting and ending point for brand building efforts. Not infrequently, the effort is heavily focused on brand imaging and communication while ignoring the challenges of and need for operational excellence. The shortcoming of this approach is that it pays short shrift to a key fact of enterprise success: employees are the faces, hearts and hands of "the brand." Brand building efforts that do not pay homage to the reality of customer caring being rooted in employee behavior inevitably achieve less than was hoped for and, certainly, less than what is possible.

In contrast to the tradition of outside-in brand building, the emphasis of InsideOut Branding is on brand building through internal stakeholders (e.g., employees and suppliers) and to consumers and paying homage to Tom's Law of Brand Building: The strength and health of the employee brand is the upper limit to the strength and health of the customer brand. In a sense, IOB is similar to the process of conducting an orchestra: There are different instruments to be played and an order in which to play them if the music is to be appreciated and mirror the composer's intent. So too with the process of building a brand — there are different things to be done and an order in which to do them if the brand is to be what its leaders intend it to be.

The rationale for InsideOut Branding is brand credibility. If employees do not believe the promises of a consumer brand, then neither will consumers or any other stakeholder for that matter. As will be discussed, the development of brand credibility starts with identification of a brand soul or core idea that travels unaltered across all stakeholders.

---

[2] DeCotiis, Thomas A. Building a Great Enterprise. 2008. Chapter 5.

DEFINITIONS AND OPERATIONS

An important early step in the process of building a viable brand is to ensure that the brand's leaders — and those who succeed them — agree on two things; namely, important definitions and processes key to effective brand building. In the tradition of culture building, there has to be a common language that guides action and agreement on the "how to" of taking a brand from intention to execution and results. Hence, any leadership team that engages in the brand building process ought to start with the development of a shared vocabulary and understanding of key processes.

The definitions and process presented here assume that brand builders are concerned only with crafting world-class brands for all stakeholders and that being a "me-too" brand is unacceptable. Thus, the focus of the discussion is on brands such as Johnson & Johnson, Inc., Hillstone Restaurant Group, the United States Marine Corps, Southwest Airlines, and HEB's Central Market. Operational definitions for several branding terms are presented in Table 1, including brand, brand soul, brand image, brand intent, brand value proposition, and brand strength. Of course, you are free to disagree with any of my definitions: however, it's crucial that there be no disagreement within your team. In the absence of a shared vocabulary, a leadership team will introduce ambiguity and wobble into the enterprise and brand building process.

Table 1. Operating Definitions and Functions

Brand. The shared meaning within a stakeholder group (e.g., employees, customers, etc.) derived from the group's experience of an enterprise, including its policies, products, services, people, pricing, values, and so forth.

Brand Soul. The timeless essence of an enterprise and what it means to all stakeholders and is the start of the brand building process. The soul of a brand is the permanent meaning of a brand that is the same for all stakeholders, internal or external.

Brand Intent. The meaning of a brand as envisioned by its leaders.

Brand Building. The process of ensuring that there is no gap between the reality of brand image and brand intent.

Brand Position. What brand leaders would like a given stakeholder group to know, recall, believe, and feel about an experience. It is the part of the brand that is communicated to a stakeholder and always includes the value proposition of the brand.

Value Proposition. The brand's answers to four questions from each stakeholder group: "What will I get from this enterprise? How will getting it make me feel? What will getting it say about me? What will it cost me for what I get, how I feel, and what it says about me?" [3]

Brand Identity. The sensual — sight, hearing, tasting, smell, and touch — aspects of a stakeholder experience that communicate its meaning. It is a brand's ID (i.e., it either identifies the brand or it does not). At its strongest, a brand's identity can communicate its meaning without using words.

Brand Image. The reputation of a brand among non-users and the public at large.

Brand Vitality. The extent to which the meaning of a brand is compelling and differentiating from the perspective of its stakeholder. Compelling means that the stakeholder "has to have" what the brand promises. Differentiating means that the stakeholder can get it nowhere else.

Brand Relevance. The ability of a stakeholder experience to meet the physical and emotional needs of the stakeholder.

Brand Resonance. The ability of a stakeholder experience to establish a personal connection with the stakeholder.

As defined in Table 1, a brand is not a promise per se (e.g., "A reliable washer," "Great Service"), but the experience of the promise. When consistently delivered, it is the stakeholder's experience that determines the meaning derived. Brand soul unites an enterprise's stakeholders in that it is the part of the brand that is identical for each of them. Examples are Southwest Airlines' "Freedom" and the United States Marine Corps' "Honor. Courage. Commitment." As will be discussed, identification of a brand's soul is crucial to building brand strength and exploiting synergies among stakeholder brands. Brand soul is the stepping-off point for articulating the brand intent for each stakeholder and is largely responsible for avoiding contradicting stakeholder brands.

---

[3] For some stakeholders, other questions would have to be considered in order to flesh-out a stakeholder-specific value proposition. For example, employees want the answers to four questions: Where are we going? What will it be like? How will we get there? What is in it for me? Raising and answering all stakeholder questions can result in a much more complete and understandable brand position.

The definition of brand identity presented in Table 1 is limited to sensual communication of the intended meaning of a brand. Examples include the distinctive grill of a BMW automobile, United Parcel's brown delivery trucks and uniforms, the sweet smell of Krispy Kreme Donuts, the feel of Mercedes leather, Nike's swoosh logo, IBM's "blue" color, the rumble of a Maserati's exhaust, and McDonald's Golden Arches. A unique brand identity is an important part of the brand communication process, but has value only in the context of what the stakeholder experiences in that the most creative identity possible will not create value in the absence of a positive stakeholder experience. Brand vitality should be the ultimate goal of brand leaders as it directly affects brand image and equity; that is, the reality and value of a brand, respectively.

Branded Product, Service, and Enterprise

I distinguish between a branded product or service and a branded enterprise.   A branded product or service has unique meaning in and of itself. It's most appropriate to communicate functional and self-expressive benefits and their unique availability. Recall that functional benefits answer the question of "What will I get from this product/ service?" Self-expression adds more emotion to the stakeholder's value equation by answering questions such as: "What does using this product say about me?" What does owning a BMW or Mercedes automobile, or being a regular at Starbucks say about you? It is also possible to brand an enterprise. The United States Marine Corps is one of my favorite enterprise brands as it has done a spectacular job of differentiating itself form service in the military (Army, Navy, Air Force, and Coast Guard) and the meaning of being a Marine. Indeed, the USMC has consistently been able to create the mystique of "Marine-for-life," regardless of the length of a marine's service.

The distinction between branded product and branded enterprise does not mean that the two are mutually exclusive approaches to brand building. Rather, it is meant to suggest a strategic and possibly synergistic choice of emphasis in the brand building process. It also points to the necessity for attention to the creation of a brand soul, particularly where competitive differences in products and services are difficult to create and maintain.

This may well be the case in industries such as restaurants, retail, over-the-counter drugs, and airlines where a sustained and compelling product differentiation is difficult, if not impossible. As will be made obvious in a later example using Nordstrom Stores, the necessity of branding not only products and services, but the enterprise itself is the most desirable approach. Doing so enhances the meaning of the products and services provided, plus giving them a larger context within which to build connections with stakeholders. It is this synergy that was at play among Tylenol, Johnson & Johnson, employees, and consumers that minimized the damage to the brand during the history-making Tylenol scare of the mid-1980s.

Differential Brand Experiences Among Stakeholders

Because the meaning (brand) created for a stakeholder has to do with the actual experience, a brand will necessarily have a different meaning for one type of stakeholder than for another. This is a good thing, and from a brand building perspective the only requirement is that the different stakeholder meanings not be in conflict. The inevitability of different meanings and the necessity of coordination among various stakeholder brands are why the brand building process needs to be orchestrated at the highest level of an enterprise, with the emphasis being on the content, quality, and balance among each stakeholder's experience. In addition, it is important that the orchestration of the brand include maintaining stakeholder brand differences, monitoring brand execution, and exploiting possible synergies among the stakeholder brands. Successful brand leaders exploit the potential for inter-stakeholder brand synergy. For example, Mission Bar-B-Que gets considerable credit from its customers, employees, and community for its commitment to "serving those who serve" – first responders and the military.

The viability of a brand depends on the overlap between what is promised via brand positioning and what the stakeholder actually experiences as well as the experience of other stakeholders. For example, the brand icon of the Maytag Man communicates reliability, but only a consumer's experience of a Maytag washer will determine whether the meaning and brand positioning will have an association with reliability. In other words, a consumer not seeing a real Maytag Man is the intent of the brand. When they are in sync, this consumer experience of reliability has the potential to bleed over into the brand experience of Maytag's employees, perhaps showing itself as a commitment to quality and pride in product. This simple example illustrates the importance of a brand's leaders identifying and exploiting the synergy among stakeholder experiences. It also suggests that they can be used as input to seemingly unrelated processes (e.g., selecting employees who value quality).

To the extent that there is no overlap between a brand's position and its user experience, there is no brand or, at least, not the one intended—and certainly no brand vitality. This happens most often when there is no connection between an enterprise's promise communicators (marketing) and its promise keepers (employees and suppliers). Thus, the relationship among marketing, operations and brand leadership is a critical one. InsideOut Branding stakes out new ground in the coordination of functional areas by addressing two points: The importance of the relationship among marketing, operations, and brand leadership. Where it should start and what the intersection should be depends on an enterprise's choice of response to a single question: Why should a stakeholder (e.g., consumer, employee, or supplier) be actively loyal to its brand?

If the stakeholder is a customer, the most obvious answer for many marketers is to participate in the creation of a consumer brand position and then to communicate it often and, preferably, with humor. By tradition, when the stakeholder is someone other than the customer, marketing bows out of the positioning and communication strategy.

That's a mistake as there is an abundance of opportunity for any one functional area to drop the ball brand delivery-wise. When operations drops the ball with the employee brand, by definition the ball will be dropped with the customer brand. The Operations approach to brand building tends to center on standards, procedures and achieving budgets, while the Human Resource approach tends to default to programmatic answers such as training, compensation, and so forth. While these functional approaches are necessary, they are incomplete in that they typically leave out an important characteristic of relationship between an enterprise and its stakeholders: Internal- or external-stakeholder relationships are about trust!

Indeed, more stakeholder loyalty has been lost due to the inability of an enterprise to connect or maintain a trusted relationship with its stakeholders than by its inability to deliver the promised product and service. The answer to the intersection of functional areas is that it depends on which one is in the best position to develop and maintain the stakeholder relationship and what expertise is needed. Although I have never seen it happen, it might also be useful to create incentives based on a particular function's contribution to the brand's vitality. In any event, it makes sense to have operations/human resource take the lead on building the employee brand, but to enlist the expertise of marketing on how to best communicate the brand to the employee stakeholder.

CONNECTING

Fond memories of experiences are among the best things in life. The Bahama Breeze restaurant concept explicitly recognized this reality by defining its customer experience as "A memorable two-hour island vacation." In an interesting take on stakeholder experiences, Pine and Gilmore identified an experience as the fourth level of economic value, ranking it above commodities, goods, and services.[4] From a psychological perspective, their ranking reflects a common sense understanding of human motivation. In the vast literature delving into the primary motives of people, the need for belonging and significance is paramount. [5] Specifically, people want to know that they belong and that they are valued.

This need has direct implications for brand building. For example, think about what you want customers to feel and think as a result of its experience of your company. Most of what you come up with will fit nicely into a framework I call "states-of-mind." There are four: Feeling confident, competent, belonging, and significant. These feelings are the source of the stakeholder's fond memories of their experience.   A scenario from Costco illustrates the source of fond memories in the states-of-mind created by an experience. As you read through the scenario, note whether a product, service, relationship, or all three are being branded.

[4] DPine, B.J. II, and Gilmore, J.H. *The Experience Economy*. (1999), Harvard Business School Press.

[5] DeCotiis, Tom PhD, The Emotions You Lead, Corvirtus, LLC, 2014.

When A Vacuum Is Full

An experience that affirms a stakeholder's sense of belonging and significance is an investment in the stake¬holder's loyalty. That is exactly how my wife and I feel about Costco. We bought two vacuum cleaners from Costco, but they never seemed to work right. We were always going to take them back, except that it took us two years to get around to it. The delay gave me serious doubts about whether we would get a refund. Besides, we did not have a receipt and couldn't remember exactly when it was that we had made the purchase.

So I did the sensible thing: I hung back and let my wife face the music at the Costco returns counter. As I looked on in amazement, the Costco employee thanked my wife for bringing the vacuum cleaners back to the store. And then he apologized for our disappointment and made a cash refund on the spot. Emboldened by his trust, I put my customer care research hat on in order to run the transaction through my BS-detector:

> (Me) "How do you know we even bought the vacuum cleaners from Costco?"

> (Him) "I don't."

> (Me) "Then why did you take them back?"

> (Him) "We sell this brand, and we trust our customers."

He had me at "trust," and with that my wife and I became actively loyal Costco customers. (An actively loyal customer is one who goes out of his or her way to shop at the object of their affections and to see its praise to one and all.) One of the things that we learned is that shopping at Costco is a fearless experience. That is, the consumer knows that he will be made to feel competent. It is also true that the Costco customer is confident that if she buys something and takes it home only to discover that they have made a bad purchase decision, they can take it back. Not only that, they can take it back at their own convenience – and be welcomed as a valued customer!

Costco customers know that if they return their purchase they will not be treated as though their competence for sure and, possibly, their integrity is in question. Rather, they are certain that they will be treated as though they are valued and belong in the store. Thus, Costco's connection with its customers is not principally in terms of product choice and function; instead, it has established a point of competitive differentiation through an emotional connection—a relationship—with its customers is compelling and differentiating to them. For Costco's customers, it may well be that product choice, function, and price are only three determinants of value, and, perhaps, not even the most significant ones.

Additionally, this scenario illustrates that the only way to a customer's heart is through the heart of the enterprise; that is, its soul. Specifically, while it is possible to buy exclusive use to customers through discounting, mileage programs, etc., it's not possible to buy their affection and trust. In contrast to the Costco's of the world, many enterprises treat consumers as interchangeable. In response, consumers treat most enterprises as interchangeable, unless paid to do otherwise. David S. Pottruck, (former co-CEO and President of Charles Schwab, Inc.) may have said it best: "At the end of the day, customers will be satisfied with a company because of what you do for them—but they will be loyal because of who you are."

In this sense, brand building is about ensuring that "who you are" earns the trust of stakeholders. It's hard to imagine a more valuable brand attribute than being trusted. If an enterprise cannot establish a sustainable competitive advantage based on product or price, then differentiation has to be created in the same way that world-class brands have always done it: Through the enactment of human values. That is, by treating people with respect, understanding, caring, and fairness.

GETTING REAL

I thought a couple of examples from the real world might be useful for promoting broader use of the InsideOut Branding process. One example is from HEB's Central Market, an upscale grocery store, distinguished by the depth and breadth of its offerings, chef-prepared home meals, catering, and in-store dining. It's eatertainment at its best. The intended meaning (brand intent) of Central Market to its customers and employees is shown in Table 2.

Table 2. Brand Intent

Customers: "The answer for people who love good food, what goes with it, and a personality that is generous, fun, expert, and sincere."

Employees: "A great place to work, learn, and grow in an environment that is generous, fun, interesting, challenging, and caring."

Flourishing is the soul of the brand and communicates attributes such as generosity, fun, competence, and sincerity across stakeholders. The brand intent for employees reflects not only the soul of the brand in the use of terms such as generous and fun, but is key to the intended customer experience: employees must have wide-ranging and deep product knowledge and expertise and be oriented to hospitality. Within the details of Central Market's branding process, brand elements such as generous would be defined; e.g., "liberal in giving and sharing, magnanimous, abundant." Exercises that define in detail each brand element is an integral part of IOB and significant step toward precision branding and ensuring consistency of execution.

The brand intent statement for Central Market's customers and employees illustrates both the similarities and uniqueness of within stakeholder brand building. For customers, the brand intent reflects the business of Central Market: An upscale grocery store, distinguished by the depth and breadth of its offerings, chef-prepared home meal replacement, catering, and in-store dining. It also communicates the soul of the brand: Generosity, fun, competence, and sincerity.

The brand intent for employees reflects not only the soul of the brand in the use of terms such as generous and fun, but is key to the intended customer experience: employees must have wide-ranging and deep product expertise and be oriented to hospitality. Within the details of Central Market's branding process, brand elements such as generous would be defined; e.g., "liberal in giving and sharing, magnanimous, abundant." The process of defining each brand element is a significant step toward precision branding, reaching consensus on the particulars of the brand, identifying possible synergies or conflicts, and building-in consistency of execution.

No, Really! This Is What You Get

Brand positioning is an exercise that I usually conduct toward the end of the brand ideation process as the clarity created by developing the other elements ensures that the position will provide more realistic answers to the four questions of branding: "What do I get? What will I feel like? What will it say about me? What will it 'cost' me? These are essentially specifications of the value proposition for a brand and its brand personality.

An example comes from Southwest Airlines, a nearly fifty year old brand that has continually renewed itself. Abbreviated position statements for Southwest Airlines employees and customers illustrate the value of connecting soul, intent, and position. While the position statements are presented in the order in which they would be created, they are opposite of the order in which they would be implemented.

Southwest Airlines
Customer Brand Positioning Statement

We are freedom.
We provide convenient short-haul, low cost, point-to-point air transport between mid-size cities and secondary airports in large cities.
We are a value, convenient, funny, efficient, smart, and safe.

Southwest Airlines makes it possible for more people to experience things firsthand:
To see and do more things more often than ever before.
This is because of their fundamental commitment to always provide low fares to the places people want and need to go.

Freedom is Southwest Airlines' brand promise and must be viewed as a sacred responsibility. It is SWA's higher calling.
What does the target audience want that we can deliver? To broaden and enrich their life experiences. To go, see and do things more often.
Southwest Airlines flies so you can too.

What do want to accomplish with our advertising? Gain share of heart. To build a much stronger emotional relationship with our Customers, one built on trust in our mission as well as trust in our pricing, product, and people.

Freedom is the soul of the Southwest brand and carries across to all stakeholders. What the position statement for customers does is to give life to the meaning of freedom for customers and explicit direction to how the customer experience will be communicated and branded through particular procedures as well as employee behavior. Obviously, its content is stakeholder-specific, indeed, it is segment-specific, and based on the particular consumer wants and needs that the founders felt their venture would address. In this statement, the personality of the brand is conspicuous and would determine the nature/packaging of communication to consumers. Essentially, SWA has positioned itself as an enabler of the frugal traveler and no risk adventurer.

The internal brand position statement picks up this theme in the context of the specific wants and needs of employees and their critical role in taking care of customers.

Southwest Airlines
Customer Brand Positioning Statement

Our internal positioning reinforces our external positioning of freedom.

Southwest helps Employees create freedom internally by offering them a wide range of resources and tools that can help day to day as well as in planning for the future. We provide this support because we believe that helping Employees create freedom in their lives will enhance the freedom they in turn deliver to Customers. In short, we'd like Employees to say: "At Southwest Airlines, freedom begins with me" – a personal commitment to themselves, our Customers and to our Company. And one that helps ensure we will always be an Employer of Choice.

Our freedom promise to Employees is offered in part through eight basic freedoms. At the heart of these freedoms are outcomes Employees have told us they want: The freedom to pursue good health, the freedom to create financial security, the freedom to continually learn and grow, the freedom to make a positive difference (pay and performance), the freedom to travel, the freedom to work hard and have fun, the freedom to create and innovate, and the freedom to stay connected.

Our aim in helping Employees achieve these outcomes is to create a "bond of heart" with them, built on trust in our mission as well as trust in each other. So that we continue to attract, retain, and fully engage the best talent for as long as we are together. In addition, we do this as an acknowledgement that our Employees have been, are, and always will be our "unduplicatable" competitive advantage in the marketplace. As such, we must do our best to help them do theirs.

Finally, we want to ensure that our company's continuing growth is an advantage to each Southwest Employee. One way we'll do this is to help Employees personalize their freedoms so they reflect their goals, needs, interests, and preferences. An approach we think will yield the greatest possible freedom.

Note that, first of all, both statements address the brand soul—Freedom—and its implications for each stakeholder. What SWA has done is to position itself as an enabler of employee freedom and employees as the enablers of customer freedom. In short, the customer experience of freedom follows from the employee experience of freedom. While there would be a communication strategy developed around each position, the one for employees would be weighed heavily toward walk over talk. That is, branded procedures and cultural ways of doing things over posters and other forms of traditional advertising. The beauty of making a position statement an obvious derivative of a brand's thoughtfully articulated soul is that it makes the position that should be communicated to employees explicit. It also maintains a shorthand style of internal brand expression, particularly when the enterprise has an articulated vision of what it will be.

Based on the consumer and employee position statements, it becomes increasingly easy to develop brand positions for each succeeding internal stakeholder. Unlike the consumer statement, the internal stakeholder should also contain specifics on what it "costs" the stakeholder for what is promised in the position statement (e.g., hard work, your best products, staying around, etc). At this point in the brand articulation process, it is fruitful to look for the possible synergies among the brand positions for each stakeholder and then to emphasize them in the communication strategy.

Subsequent to the creation and verification of the position statements, communication strategies are designed that capitalize on the specifics of how each stakeholder is most effectively exposed to the message of the brand. At this juncture, possible stakeholder communication channels and synergies would be considered. For example, if the vision of the enterprise stresses community involvement, then its communication to consumers might be weighted toward visible community events and away from traditional media advertising. Insights into how best to spend communication dollars is another advantage of taking a holistic approach to brand building.

Considering the possible links among stakeholders is a critical aspect of the brand building process because a brand can never mean more or something better to one stakeholder than it does to any other stakeholder. This ideal of balance means that there cannot be an "eagle" brand for customers and a "turkey" brand for employees, or any other stakeholder. Indeed, maintaining balance among its different stakeholder brands and building a strong brand for each of them can be the unseen competitive advantage of an enterprise.

Branding and Strategy

Much of the above discussion alludes to the overlap between brand building and strategy. It has also been suggested that some brand leaders fail to seriously consider enterprise strategy—believing that if they have done the former, the latter will follow. But that is not so. The objective of branding is to create the intended meaning for a stakeholder; strategy goes deeper in that it requires that stakeholders be rationalized and that the means of competition and achieving advantage be specified. For example, when strategy is integrated with brand building, there would be no general discussion of "the customer;" instead, the question of who is the most valuable customer would be answered to become input to the branding building process. In this sense, branding packages strategy and ensures that factors such as return on investment be considered.

DISCUSSION

The concept of InsideOut Branding cannot be new as it intuitively makes sense to brand to all stakeholders. What is new and unusual is applying it systematically over a long period of time to all stakeholders and ensuring that shared brand elements are linked to specific stakeholder strategies. This may be the most courageous aspect of IOB for no other reason than the fact that brand building is never a short-term or immediate-result process.

IOB can result in a revolutionary brand, but doing so is obviously not without its discomforts and risks. Applying the concept in a holistic way to all stakeholders will inevitably challenges the viability of some sacred cows; for example, "core customers." In my experience, these customers rarely receive the scrutiny they deserve. Instead, it is assumed that they are valuable because they once were valuable. Whether they should be valued, or simply considered a bad habit, is rarely questioned by brand leaders. In contrast, strategists would insist that the consumer segment represented by core customers be rationalized. Thus, while the old adage that "sacred cows make the best burgers" applies, they are not easily butchered unless brand leadership and enterprise strategy are joined at the hip. The challenge of sacred cows is obviously more difficult with a long-established brand than it is at the inception of a new one. However, they can exist in both; in a new enterprise they are simply mislabeled, being called opportunities, the founder's vision, or culture.

Among the benefits of IOB is one that has yet to be mentioned: It forces brand leaders to think at the enterprise level as well as at the stakeholder level. Because one of the requirements of IOB is alignment of external and internal brands, brand leaders have to face the issues that are more common to enterprise leadership than to brand management. One such issue is keeping the brand fresh. Often this is thought of as maintaining a competitive edge or staying cutting edge, and so forth. But the issue of freshness is much more subtle than that: It is keeping an enterprise relevant to its stakeholders by staying current with their needs and wants. This is much more akin to the challenge of keeping a romance alive than it is to creating new and innovative products and services.

This same challenge exists in branding as the need to keep a brand relevant and resonant. In this sense, it's a crossover issue between brand strategy and enterprise strategy. Perhaps it's due to this crossover nature that neither process fully addresses the need to build freshness into the day-to-day of the enterprise and its stakeholder experiences. Among the ways to address the issue is to simultaneously define freshness as a brand element and a business basic.

However considered, a freshness outcome for an enterprise and brand is strongly encouraged. That this might be necessary is borne out by our own consumer and employee research that consistently shows that the "regulars" of a brand typically rate its attributes more harshly than do trial users or new employees; hence, the need to keep a brand fresh and its builders enthusiastic. While the romance of "a hot brand" cannot be maintained in its original form any more than the "hots" of a personal relationship, they both can be kept fresh and interesting through the deliberate building-in of excitement.

InsideOut Branding can also be used to address other enterprise challenges that are not ordinarily thought of as within the purview of branding. One such issue is diversity, typically treated as a program or strategic initiative. However, it can be thought of as a branding issue and, if so, built into every stakeholder brand. The only requirement is that brand leaders think of it first in terms of the soul of the brand and secondarily as "good business." With respect to brand soul, it means looking at diversity as a matter of "inclusion," "family", or in a broader sense of "belonging." And in terms of business initiatives, it means viewing diversity as a way to expand the customer base and then setting it out as an element of the consumer brand intent and position. The strategic link would be that the internal stakeholder brands would have to be in alignment with the external brand if the latter is to have credibility and the diversity-link to enterprise strategy is to be realistically seen as "good business." As can be seen from this discussion of diversity as a branding and strategic issue, what it sometimes takes to cause a shift in culture or stakeholder experiences is only a small shift in how issues are framed by enterprise leaders and built into the meaning (brand) of the enterprise – and that's all about culture.

Brand leaders who have struggled with the process of establishing or maintaining a strong brand understand the challenges of brand building, but few have experienced the rewards of successfully meeting the challenge. InsideOut Branding is meant to help the leaders in the former category and enhance the success of the leaders in the latter. Articulating a compelling and differentiating enterprise vision and brand soul are the first steps toward building and sustaining a great enterprise and a brand that avoids the pitfalls and disappointment of being among the "me-to" brands of the marketplace of achieving immortality by not dying.

InsideOut Branding is a way of brand building based on two cultural ideals: balance and equality. Balance means that a company is not only about customers, any more than it is only about employees, suppliers, or investors. All stakeholders must be taken care of with equal intensity and without sacrificing the interest of one to another. Equality means that A Company's consumer and other stakeholder brands must be on an equal footing vis-à-vis their relevance and resonance to their respective stakeholders. It is in this way that an enterprise becomes more than the sum of its parts. It is why a strong and healthy culture is the basis of a strong and healthy consumer brand, and not the other way around. After all, a company cannot mean more to others than it does to itself.

ABOUT CORVIRTUS

Corvirtus provides a range of innovative, science-based measurements and services that tie a company's culture and core values to talent processes. Corvirtus solutions have enabled hundreds of companies to strengthen and scale their corporate cultures, and to identify, develop and retain those employees with the characteristics and capabilities essential for business success and customer satisfaction. For more information, visit www.corvirtus.com, email info@corvirtus.com or call us at 800-322-5329.