

## RETHINKING BRAND STRATEGY – DESIGNING THE BRAND EXPERIENCE

### ***Delivering on the Brand Promise***

**Brand management has become a crucial element of corporate strategy.** In today's cluttered marketplace, a powerful brand creates a clear signal that cuts through the static. This requires a new approach to business strategy, one that integrates branding as a key component by:

- Targeting a wider set of constituencies for the brand campaign
- Creating a customer experience that embodies the brand across the multiple “moments of truth” that can make or break a brand
- Ensuring that the entire organization, particularly customer-facing employees, delivers on the promise implicit to the brand

Today, with the explosion of new options for customers, the basis for brand strength has dramatically shifted: **Creating a compelling customer experience is increasingly what makes or breaks a brand.** A strong brand that can forge a durable psychological bond between a company and its customers, investors, and employees, is the most effective form of strategic control available to a wide array of businesses. Such a change involves the entire organization, including the senior managers.

**Many companies fail to deliver on the promise that their brand, implicitly or explicitly, makes to customers.** Automakers promise a whole new experience in car ownership but perpetuate the same old sales pressure and haggling at the dealership. Banks promise one-stop shopping and then require multiple conversations and handoffs for different products. Airlines tout their kid-glove treatment for business travelers then put them through the overbooking and lost-baggage circles of hell, with the “customer service representative” either powerless or otherwise engaged. Computer software makers promise to raise office productivity and then under-staff their technical support teams.

This brand “bait and switch” – raising customer expectations that are then dashed – quickly and seriously erodes the power of a brand. It does more harm than simply delivering an unsatisfactory experience without having promised something better.

**A brand promise can be unmasked as a hollow boast at any point during a customer's experience with a company, product, or service.** Each interaction represents a “moment of truth” that can enhance or erode the brand, heighten or undermine customer loyalty, and affect business results for better or worse. Especially difficult is aligning the brand promise and the human interactions between employees and customers. It is these interactions that can bring a well-designed customer experience to life. To make employees effective brand ambassadors, executives must understand what employees value and how they experience the brand, and they need to overcome the barriers from:

- Inefficient business processes and misplaced incentives that typically impede even the most capable and committed employees
- Employees merely selling products instead of becoming involved in customers' needs
- Underutilizing the employees' capability to deliver the experience customers expect

### ***Aligning Human Capital Strategy with Brand Strategy***

End-to-end customer management recognizes that when the customer needs a solution, he or she cares about the result, not the messy process of getting there. Consumers and business customers alike expect fast service, convenience, appropriate cross-selling, and solutions to their problems. And they want consistent treatment across all the sales channels through which they interact. When a company is not service-oriented it can be a customer's last experience. The following story from 'FC Now: The Fast Company Weblog' is a good example:



*As a journalist was preparing for his magazine's annual 'Customers First Feature' article, he called Symantec's customer helpline because of a virus problem and Norton difficulties and no surprise, was connected to an outsourced call center. After SEVEN hours on the phone with six Symantec employees, the journalist hung up on the last person because the support tech giggled when he told him how frustrated he was.*

*The journalist then proceeded to call Sony (his computer is a VAIO) to see if they had any advice. A nice woman picked up and suggested a few options. The agent was gracious, spoke clearly and said she understood his anger. When he called back to ask a follow-up question, the automated system recognized his phone number, asked if he was calling about a follow-up question, and connected him immediately.*

Delivering a seamless experience that pleases customers is becoming increasingly difficult. Customer satisfaction has been declining in many industries for the past decade. This is due in part to customers having higher service expectations, expanded options, more cross-industry benchmarks, and lower switching costs. At the same time, execution challenges are intensifying due to product and channel proliferation, cost pressures, heightened M&A activity, and talent scarcity in most sectors.

Senior executive can't simply mandate that employees support the brand promise. When human interactions undermine a company's brand promise, the problem often is not bad intentions or lack of interest among employees. Rather, employees on the front line tend to misunderstand the priorities implied by the promise, or they don't have the training, tools, time, or latitude to deliver. Often, this is a result of poor communications within the company and between employees and customers. **When management sends mixed signals about the brand promise or never articulates the standards designed to reinforce the promise, employees feel isolated and confused, and improvise as best they can** – in turn jeopardizing their ability to deliver on the promise.

Companies seeking to align their human capital practices and investments with the brand must address six interrelated areas that together determine the customer experience that employees, from the top down, deliver:

- People – the experience and competencies of employees, and specific policies aimed at selecting or developing them
- Processes – how work gets done
- Structure – how management assigns roles and responsibilities
- Information and knowledge – the availability and timeliness of critical business information
- Decision-making – how decisions get made that affect the customer
- Rewards – the motivation of people through pay and other incentives

The most effective strategies employ all six simultaneously. **An integrated human capital strategy, linking each area to a common and coherent purpose, creates enormous brand value among customers and employees.** This creates a virtuous cycle of engaged, committed employees who deliver what customers want, leading to higher customer satisfaction, spending, and improved business results, which in turn makes the company a more attractive place to work and raises its status in the marketplace for talent.

Authors: Schuyler Morgan and Karin Hollerbach bring financial and transaction expertise as well as real-world management experience to work with companies to complete successful financings, mergers & acquisitions, and strategic partnerships. To us, deals are not just financial and legal transactions; they are relationships among organizations powered by humans.

J. Schuyler Morgan, PCC  
+1 510 653 6868 tel  
schuyler@takugroup.com

Karin Hollerbach, PhD  
+1 510 482 3427 tel  
karin@takugroup.com



**Taku Group**

© 2006-2008 Taku Group, all rights reserved