

# Chapter 16

## Internal Branding as Innovation Tenet: A Transformational Paradigm Shift

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### ABSTRACT

*Innovation as a core value for most organizations is not simply the application of new technology to achieve a business goal; it must be directly expressed through brand experience. Brand driven innovation is human centric. New ideas require a welcoming organizational culture, positive mindsets and internal advocacy to grow. Businesses can really innovate when employees become their brand evangelists. In this chapter, we initially explore internal branding values and tactics. We assess its role as critical bridge over vision, culture and image gaps in case studies to bring awareness on success and risk factors. Employee perceptions of communication practices are captured and matched to aspiration, missions and organizational values. From this premise, we establish internal branding as practice that affects the company's ability to innovate effortlessly and organically. The strong liaison between diffusion of innovation and brand endorsement is confirmed, consolidating the vital role of internal branding in the implementation of an organization's business strategy.*

### INTRODUCTION

Internal Branding is rooted in the philosophy that we are all stakeholders in creating sustainable futures. A participatory brand culture inside the organization builds a mandate for the effective delivery of the brand to its constituents. This employee engagement is mobilized by the acceptance and wide adoption of a corporate citizenship across every functional level of the company. Employees are no longer considered peripheral stakeholders; as brand ambassadors they are made central to the protection and the development of the company's image and reputation, delivering a promise that is consistent with the organization's mission and values (Berry, Tom, Carson, & White, 2003).

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Effective internal branding requires aspiration, meaningful relationships of trust, and clear communication lines across departments and hierarchy from top to bottom. Alignment of personal and corporate values does not occur behind closed doors, nor can brand faith be instilled on the grounds of ignorance, guessing or improvisation. Where there is a vision-culture gap, there is first and foremost lack of awareness, understanding and organizational identification.

*If we want to exceed the trust of our customers, then we first have to build trust with our people. – Howard Schultz, Chairman of Starbucks*

## THE CONCEPT

There is no commonly accepted definition for internal branding so far except a descriptive sum of words used to depict the functional approach of the term: it is often perceived as the activities that build the bridge between strategy and execution. While people individually use words such as “living the corporate values”, “leveraging the corporate brand strategy”, “reinforcing brand requirements internally”, staying true to the brand promise is not done consistently and unanimously across organizational levels. The typical format is for senior management to decide on the strategy while the actual brand experience is communicated by the least informed and lowest paid associates.

The Canadian Marketing Association defines internal branding as

*... the set of strategic processes that align and empower employees to deliver the appropriate customer experience in a consistent fashion. These processes include, but are not limited to, internal communications, training support, leadership practices, reward & recognition programs, recruitment practices and sustainability factors. (MacLavery et al, 2007)*

Internal Branding is the glue that holds together what the company *says* about the brand and what employees actually *do*, by applying the external brand to internal vehicles. This greater call to action boosts engagement and drives business outcome (Grossman, 2008).

Much like brand, corporate reputation spreads across business territories and mirrors itself in constituents’ brand perceptions. As Fombrun states (2005)

*... a company’s reputational capital is the excess market value of its shares—the amount by which the company’s market value exceeds the liquidation value of its assets.*

Internal branding works in three consecutive layers:

- Effective communication of the brand to employees
- Demonstration of its relevance and worth
- Link with every job in the organization to ensure successfully delivery of the brand essence

Through internal branding the organization links its culture and values to the personal values of its internal stakeholders in ways that enable both the organization and the individuals to achieve their goals in consistent ways.

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