

Building brand values through internal marketing

Starting with service in the UK banking industry

In today's crowded marketplace marketers have long recognized the importance of illustrating a powerful brand. Branding is now central in making a firm stand apart from its competition, and the most effective brands develop logos, images, slogans and positioning to best communicate the core values behind them. This basic business premise is now so commonplace as to be taken for granted: creative teams are well used to the challenge of thinking up clear ways to illustrate the strengths of the product and the company that produces them. Yet what happens when there isn't a product as such involved?

In the service industries, when the marketer has no tangible product to frame and the customer has nothing clear to perceive and assess, branding can become a little more complicated. In financial services especially, finding a way to differentiate intangible products on offer from those available from the competition is quite difficult. Branding a current account or loan facility is clearly not quite the same enterprise as branding a new luxury consumer good. So where is the best place to start?

In service-led industries, it makes sense to focus first on the service the company offers. That is not to say service in terms of the range of intangible "products" on offer, but rather in terms of the actual service provided to customers by every employee. The behaviour of employees is, after all, the primary means through which shareholders experience the company they have invested in. It is also where communications teams find potential grounds for difference. Excellence in service is always a very positive attribute to build set of brand values around.

Papasolomou and Vrontis, both from the marketing department of the School of Business in Cyprus, have investigated how customer service has become central to brand building in the UK banking industry. Central to this is internal marketing (IM), which takes as its central philosophy the notion that employees should be treated as customers. The idea makes sense – a workforce will only deliver outstandingly good service if they are treated well themselves and believe in the company they are representing. IM is now accepted to provide the means to potential differentiation, and it has naturally therefore become the focus of many staff training schemes.

Papasolomou and Vrontis investigated how IM was being implemented and to what effect but conducting hour-long interviews with 35 branch managers and 21 employees from various positions within the banking network. A total of 35 business units and seven different organizations were involved in the study.

The research showed that IM practice is accepted as a prerequisite for the achievement of high quality customer service. It also indicated that IM can be broken down into four different elements: training and education, the image of the internal customer, quality standards and rewards systems. A service culture with the customer at the fore can be achieved if all four areas are consistently pursued:

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1. *Viewing employees as internal customers.* One manager explained: “Effective customer interaction needs on-time and accurate support. If everybody accepts that we have internal customers to serve and internal suppliers, for example, the marketing department . . . that without them we won’t be able to carry out our jobs effectively, then the internal service climate will improve. This will improve the quality of customer service, because, if we are satisfied, we will be more productive and more positive towards customers, which improves the overall service climate.” Achieving this sense that employees are also customers involves having managers with the people skills to make each person feel valued and communicating the importance of each job role right across the team. Staff must feel they can rely on each other and share mutual respect. Only when the internal customers are all satisfied is a workforce ready to satisfy its customers.
2. *Meeting service standard expectations.* Service standards become as important internally as they do externally. The central point of IM is to motivate employees to put service in all directions first. Every department has its service standards set and every other department is made aware of them. Everyone thus understands the level of input and performance they should expect to be able to take for granted from the people around them as well as themselves. Thus every part of the overall system should run smoothly, providing excellent service to the customer.
3. *Training and development.* Instilling an ethos of high customer service involves training programs that communicate that message clearly and inspirationally. One employee noted that “Many of the training courses are aimed at changing staff attitudes towards their colleagues and customers”, something that is absolutely fundamental to IM’s success. Employees have to believe in IM and practice it if it has any chance of working. They should also have their people skills developed as much as possible.
4. *Offering employees incentives.* It is no surprise that performance always improves if staff are motivated to improve it, and thus many banks are developing reward schemes for good customer service, especially if it results in the sale of a new account or other product. Despite the effectiveness of these initiatives, it should always be noted that incentives may discourage that vital sense of team atmosphere, especially if customer-facing staff are rewarded independently from employees in the background.

Comment

This is a review of “Building corporate branding through internal marketing: the case of the UK retail banking industry” by Ioanna Pappasolomou and Demetris Vrontis. The paper identifies internal marketing (IM) as a major factor in achieving brand differentiation within the UK financial services industry. By treating employees as customers, a strong service culture can be developed, providing the grounds for a strong brand. The authors conducted interview research with banking staff to investigate what is involved with IM and how it is being practiced in banks. Their findings split IM into four distinct areas, all of which should be pursued. The paper also offers interesting case study quotation from interviews, but is on the whole somewhat dense.

Reference

Pappasolomou, I. and Vrontis, D. (2006), “Building corporate branding through internal marketing: the case of the UK retail banking industry”, *Journal of Product & Brand Management*, Vol. 15 No. 1, pp. 37-47.

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