



The Chartered
Institute of Marketing

In association with

LIPPINCOTT

MERGING PROMISE AND EXPERIENCE

THE BRANDED CUSTOMER EXPERIENCE BENCHMARK

WAVE ONE RESULTS | SUMMER 2012

FOREWORD

In today’s globalised, interconnected and service-dominant economy, creating compelling, distinctive and meaningful engagements with customers and consumers is becoming ever more challenging.

Today’s customer has greater choice, information and power than marketers have witnessed to date. Their expectations from the brands and businesses they choose to buy from continue to grow, placing new pressures upon the growth ambitions of businesses.

In the background, the last fifteen years have seen the concept of branding evolve from merely a design and communications-led ideal to one which runs far deeper into the DNA of an organisation.

Today’s CMO has little choice but to acknowledge that whilst brands are built on promises, it’s the experience delivered that makes the difference between a myth and a reality.

It’s with these challenges in mind that The Chartered Institute of Marketing joined forces with Lippincott to explore the organisational factors which help brands to bridge the gap between promise and reality.

Guided by an experienced steering committee, we surveyed senior marketing and brand leaders from over 100 major, international businesses to understand opinions, actions and the characteristics of high-performing organisations.

These are the results.

Thomas Brown
Head of Insights
The Chartered Institute of Marketing

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METHODOLOGY

This important initiative has adhered to a market-led process from conception to completion. Its origins lie in a Steering Committee, comprising six senior marketing, brand and business leaders, whose role was

to shape the direction of the benchmark and challenge the project team from CIM and Lippincott, ensuring a practical grounding throughout the study.

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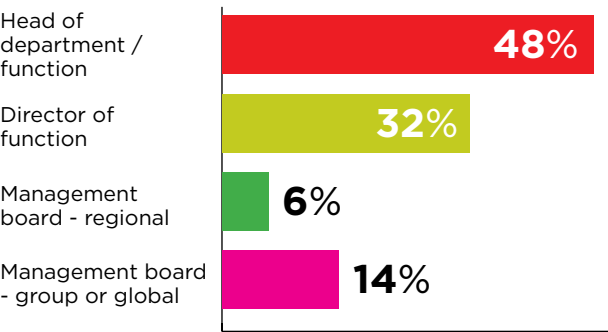


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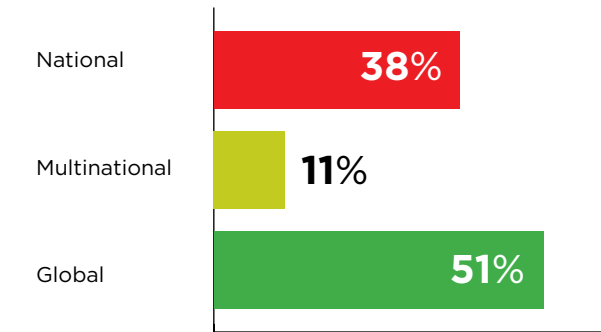


METHODOLOGY: WHO TOOK PART IN THE SURVEY?

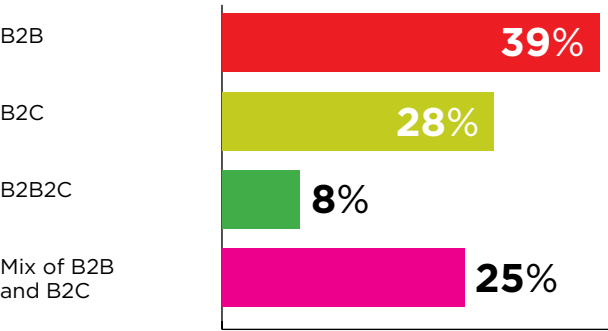
Management level



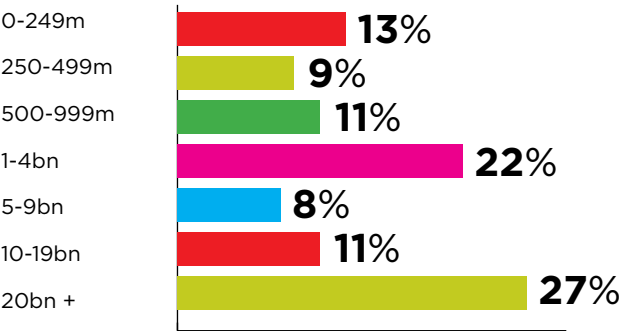
Scope of company operations



Primary business orientation



Annual revenues



To develop the industry data and the benchmark itself, we surveyed over 100 senior practitioners in major, international organisations. Made up primarily of Marketing Directors or Brand Directors, our participants

share a level of seniority, accountability and experience, and command significant investment in marketing, brand and customer experience.

EXECUTIVE SUMMARY: SEVEN KEY DIMENSIONS

Most organisations believe that creating a positive customer experience should be a greater priority than marketing communications when it comes to brand building, but they are finding this hard to achieve in reality. Our research aimed to discover in detail why such difficulties arise and some of the ways in which they may be overcome.

Overall, we found that few companies claim to provide a branded experience across their entire offer. In order to build a clearer picture of what this means – and how exactly a branded customer experience is defined – we asked questions centred around seven specific dimensions.

Leadership

Leadership teams are seen to believe in and support the brand positioning, but this does not necessarily filter down to different parts of the organisation, with a worrying number of leaders failing to understand what brand means for their individual department.

We also found that the reputation of the CEO is integral to the brand story in many organisations. There is a strong emergence of customer experience functions, but wide variation in terms of where it sits. Just over half of organisations include a marketing or brand director on their management boards.

EXECUTIVE SUMMARY: SEVEN KEY DIMENSIONS

Marketing clout

Marketing teams are not as well respected as they could be, with most organisations reporting that marketing personnel are not invited to join projects and workshops led by other business functions.

Input from marketing into other business initiatives, however, is relatively high – although there are areas, including mergers and acquisitions, and channel strategy, where marketers appear to have a far more limited role.

Strategic vision

There is a clear alignment between brand positioning and the strategic vision or direction of the company, but this is not always considered relevant and motivating across the business. Where this is the case, it is clear that the vision is not being delivered on the ground.

Brand management tools carry the ability to bring the brand promise to life, but a worrying number of organisations don't use some of the key contenders, such as brand messaging guidelines. Even where these tools are commonplace, they are not always valued.

Customer centricity

Organisations report that customer insight and research are not the key drivers in decision making that you might expect them to be. Moreover, a large number of organisations are failing to anticipate customer needs or tracking and understanding what drives customer preference.

That said, customer insight is being shared throughout the organisation – with employees, senior leaders and the board. This reveals a gap between the extent to which customer insight is shared and actually used. More positive is the finding that most organisations have a customer segmentation model.

Culture

Employees feel empowered to build the brand and promote a culture that reflects the key brand promise, which suggests that internal culture is well aligned. However, employees' understanding of their role in delivering a branded customer experience and their understanding of how to behave when things go wrong, is less positive – once again proving that good intentions do not inevitably reach the end customer.

There is particularly positive news around recruitment and on-boarding, with the vast majority of organisations focusing on brand in these areas. However, few organisations have a brand champion involving employees outside of marketing.

Measurement

Few organisations are able to link the quality of their brand experience to an impact on business value. Many do not consistently measure in the first place.

Of those that do measure, employee and customer satisfaction are the measures most commonly tracked, but too few organisations say the results have an impact on decisions. Many businesses don't link variable compensation components to brand-centric KPIs, while others don't link brand with employees' performance reviews.

Operations

Too few organisations are confident about how their operational processes are perceived. Notably, operations and internal support services don't support the delivery of the brand experience priorities and fail to reflect the brand promise.

But organisations score more strongly when it comes to inviting input on ways to improve customer service.

EXECUTIVE SUMMARY: VIEWS FROM THE TOP

Looking ahead, we wanted to understand the key internal and external areas that concern organisations. Internally, budget and resource constraints and IT systems topped the list, while measurement capability and skills of the marketing and brand team are seen as less of a problem.

Externally, a greater focus on value from customers is seen as a major concern, along with the economic situation in Europe. Surprisingly, the rise of social media is seen as less problematic, despite other research revealing it as a huge growth area for business.

Factor analysis was applied to help group the 27 brand experience drivers and this created six groups, which in turn enabled us to reach the conclusion that only leadership and belief ultimately drive performance. This suggests that you can lead your way to a branded experience but not manage your way there.

We also developed five top ‘facts’ that are linked with being a high performer when it comes to brand experience, providing organisations with practical measures to put in place to bring about improvement:

- Using customer experience guidelines.
- Making sure that brand values feature in recruitment.
- Ensuring the reputation of the CEO is an integral part of the brand story.
- Consistently sharing market and customer insight with the board.
- Using employee brand behaviour guidelines.

STATE OF THE NATION

Day-to-day experience outstrips marketing communications in importance for building a brand.

Seven out of 10 marketing and brand leaders believe that creating a great customer experience is more important than pumping out more and more marketing communications when it comes to building a brand.

Such strong recognition of the potential impact of an integrated, consistent and branded customer experience, relative to communications-led investments, is testament

to the rising importance of this issue on management agendas regardless of industry.

The problem, which forms the very premise of this report, is that only 13% of leaders say their organisation excels at delivering a world class day-to-day experience, leaving almost nine out of every ten businesses with more work to do – in some cases, quite significantly.

Compounding this, just one in five of the audience surveyed said they stand out when it comes to delivering world class marketing communications, reinforcing the scale of today’s capability challenge.

EXPERIENCE IS RECOGNISED AS MORE IMPORTANT THAN MARKETING COMMUNICATIONS, BUT FEW BELIEVE THEY EXCEL AT EITHER.

The best way to build my brand is...



How would you rate your organisation?



STATE OF THE NATION

Very few companies claim to provide a branded experience across their whole offer.

To understand how businesses believe they are performing in the area of branded customer experience, we asked a range of brand performance-related questions specifically designed with the scale, breadth of operations and sheer complexity of those involved in mind.

Significantly – and of particular concern at a time when organisations increasingly claim to be service-based – just 25% of marketing leaders feel that their organisation’s people embody their brand promise through their day-to-day behaviours.

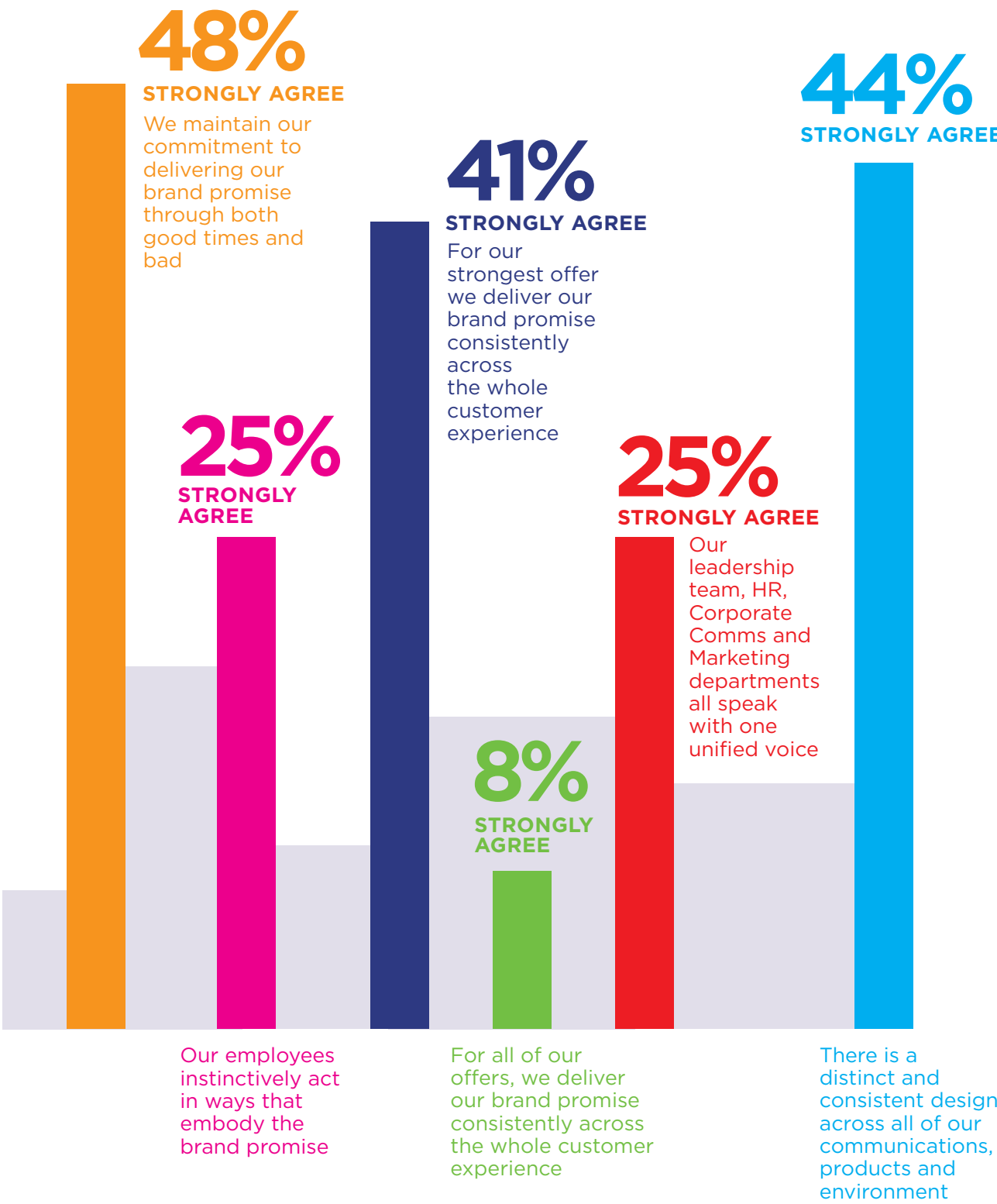
“We are fairly typical in that we have a clear strategic vision, which has been pretty consistent for the last three or four years, and there is good communication in place to ensure that employees understand that vision. But they don’t necessarily fully understand the path onwards from there, which varies according to the part of the business they’re in. There are definitely some people who would say, ‘We get it but we don’t know how to get there’, while others would say, ‘We get it and are on our way,’” says Timberland’s Chief Brand Officer, Mike Harrison.

Rather more positively, 41% of organisations stated that for their flagship offer, they deliver their brand promise consistently across the whole customer experience. But when asked the same question about all of their offers, the proportion drops dramatically to under 10%. Meanwhile, three-quarters of organisations admit to an internal disconnect – a lack of a single unified voice across all departments.

Marketing and brand leaders clearly understand the fundamental importance of branded customer experience. But the proof, as shown across all these dimensions, is that most are far from maximising its potential. Even the highest ranking answers – focusing on whether there’s a clear and consistent design across all areas of the business and whether there’s commitment to the brand promise when the going gets tough – reveal that under half of organisations are getting it right.

“We are a multinational group selling different types of insurance in different geographies across different cultures, using different distribution models – but we still want there to be a common RSA experience,” says Lucy Yank, Group Customer and Brilliant Service Director at RSA Insurance Group plc.

HOW DO ORGANISATIONS VIEW THEIR OWN BRAND PERFORMANCE?



THE SEVEN DIMENSIONS OF BRAND EXPERIENCE



"Based on customer insight, we have therefore devised a set of 'brilliant service descriptors'. These mean different things depending on what type of customer you are – a broker, a commercial client or a consumer, for example – and this is part of its success, the fact that we've created an overall framework that can be tailored accordingly."

In order to build a clear picture of how a branded customer experience is defined, managed and delivered in today's businesses, we questioned marketing and brand leaders on seven key internal dimensions.

For each of the seven, we interrogated both the opinions of these leaders (referred to as 'drivers' of brand experience) and the actions they have in place inside their business (referred to as brand experience 'facts') helping us to combine perception and reality.

This is one of the most important findings of our report – the fact that while brand experience is talked about amongst the executive team and everyone recognises its importance, customers don't necessarily see it because it doesn't reach operational processes."

Thomas Brown
Head of Insights
The Chartered Institute of Marketing



LEADERSHIP

Top-team support doesn't necessarily permeate through the organisation.

Over half of the senior executives participating in this study say their brand values are prioritised by their top leadership. This top-team engagement and prioritisation is encouraging, given the unprecedented economic pressures facing businesses today. Moreover, an even higher number say the brand is brought to life in their leaders' interactions – whether that's the Chairman speaking to the media, the CEO addressing staff or the CFO addressing investors. There's little doubt that leadership and vision are evident in the support for brand and customer experience.

The challenge revealed by this study is that this support isn't permeating the business or filtering through to the front line. Fewer than 40% of businesses believe their leadership's key decision making is guided by the brand promise and even fewer report that each leader understands what brand means for their own part of the organisation. Moreover, around 15% of businesses say their leaders perform appallingly in these two areas.

"This is one of the most important findings of our report – the fact that while brand experience is talked about amongst the executive team and everyone recognises its importance, customers don't necessarily see it because it doesn't reach the operational processes," says Thomas Brown, Head of Insights at The Chartered Institute of Marketing.

"As you look deeper into the business, a significant disconnect appears. This begs the question: is the belief in top-team commitment somehow misplaced? Are we hearing empty rhetoric from our leadership teams, or are we as marketers being overly optimistic? Or does it boil down to a communication and education breakdown?" he says.

"This is a gap we often see between leaders recognising the importance of brand, and knowing how to internalise it," says Simon Glynn, Head of Europe at Lippincott. *"Bringing the brand inside the organisation is not just about engaging colleagues with the story that they are a part of. That's a start, but it's passive. The real challenge is to get people at all levels, from the top down, to think differently about their jobs so that they collectively create the brand experience."*

TOP-TEAM SUPPORT DOESN'T NECESSARILY PERMEATE THROUGH THE ORGANISATION.

Drivers

Our leadership team believe that brand is a high priority for the entire company.



Our CEO and top leadership's behaviours reflect our brand promise or positioning.



Our leadership team use the brand promise or positioning to guide their decision-making.



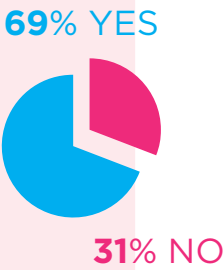
Our leaders understand what brand means for their own part of the organisation.



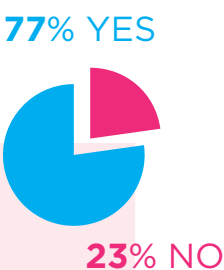
Strongly disagree ← → Strongly agree

Facts

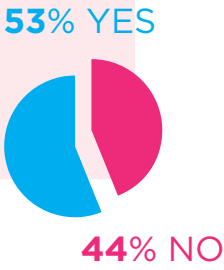
Are the reputations of the CEO and other top leaders integral to your brand story?



Do organisations have a specific customer experience function or senior role?



Do you have a CMO on your group management board?



LEADERSHIP

Mike Harrison has no doubt that Timberland's brand positioning is paramount in the minds of its leaders. *"But if you asked them how that affects their day-to-day decisions, particularly around their individual functions, many would admit it can drop off their radar. Obviously in sales and marketing, they would have a clear idea of how the brand drives what they do, but in some of the other disciplines, that is much less the case. As a result, we are trying to focus on, and evolve, our brand strategy for each function and employ action plans within each one that cascade down from the overall brand strategy. We are making progress, but there are definitely gaps to close."*

For Annabel Venner, UK Marketing Director at Hiscox, the key lies in not seeing herself as just a marketer. *"I believe it's critical for me to put myself out of the marketing box and say, 'Right, how can I bring the research and knowledge I have to the rest of the departments and how can I work with them to drive growth?' People already understand the importance of brand, but marketers need to ask themselves, 'How can I transfer that into individual departments?' It's about marketers seeing themselves as champions of growth."*

Lucy Yank adds that clear strategic direction from the CEO is also essential. *"Our brand promise is to keep our customers moving and our CEO has a strategy very clearly aligned to that, which means the customer agenda is constantly communicated from the top so that our leaders understand the expectation on them and exactly what it means for their businesses locally. But even with all that in place, there remains the fact that some get this instinctively, while others get it more academically. More and more, they are realising they need to understand how it affects their business area."*

Many organisations see their CEO as integral to their brand story.

If you mention the term 'celebrity CEOs' – that is, the kind who are at the heart of an organisation's brand – names like Sir Richard Branson, Lord Sugar, Sir Terry Leahy and the late Steve Jobs typically spring to mind, but it's not just this well-referenced group that have a vital role to play. Seven out of ten organisations say the reputation of their leader is central to their brand story and whilst this is more likely to be the case internally than externally, this is good news for businesses.

"For a brand like ours – a luxury brand – it's hard to exaggerate the significance of our top people," says Markus Kramer, Global Marketing Director at Aston Martin. *"We are about great design, so our chief design engineer is close to our customers', and indeed our employees', hearts. Likewise, if our CEO failed in any small way to stand for everything we are about, our brand experience would be instantly brought into question. In many ways, he is a living, breathing example of our brand positioning."*

This is not to suggest that leaders become indispensable. *"Leadership support is undoubtedly critical to successfully driving change across an organisation,"* commented Thomas Brown. *"It's important to remember, however, that for most businesses, brands outlive their leaders, many of whom will want to leave a legacy beyond their tenure. We see frequently how the departure of a CEO can have a negative consequence for an organisation's reputation – the key, therefore, lies in balance: ensuring that leaders are great custodians of the brand during their tenure, without their departure leaving the business with a void."*

"Just having the presence isn't enough – that marketing person needs to work to gain the support from the CEO and all leaders on every level. Only if they can engage with colleagues across all functions about the brand and customer experience can they have a real impact. In fact, I'd say that the biggest compliment you can have is to be invited into different departments to help colleagues, say in finance, understand why the brand is behaving in a certain way – and in my experience, that is most likely to happen when you have a key role at the top."

Elizabeth Fagan
Marketing Director
Boots UK



LEADERSHIP

A strong emergence of customer experience functions but no dominant model for where they sit.

Our findings reveal a strong emergence of customer experience functions or senior roles, with almost eight out of ten organisations saying they now have one – although there is no dominant model for how it is resourced across the business.

While some report to corporate communications, marketing, customer service or directly to the CEO, others like Lucy Yank sit within HR. *“Our HR team has a fantastic track record in terms of embedding employee engagement in our culture – something we wanted to leverage. We started to work with Gallup in 2007 to measure our levels of engagement with our people and as a business we have focused on action-planning around the results to really drive cultural change in our organisation. In November 2011 we reached ‘world class’ levels of employee engagement as a group and this led to RSA winning a Gallup Great Workplace Award this year. On customer engagement, we recently launched a global survey so it made sense to take a similar approach to action-planning, and*

working within our HR community has helped us build on that expertise. Plus, we believe engaging our people is key to becoming a more customer centric organisation so there’s definite overlap there too.”

Conversely, Aston Martin is among the quarter of companies who say they have no specific customer experience function. *“We used to have a dedicated role, but we got rid of it,”* says Markus Kramer. *“That’s because we take the stance that we all need to recognise ourselves as a customer representative. If you have a customer experience function, the attitude is that it’s their problem and you can leave it all up to them. By not having one, however, we find that all our people see themselves as a customer representative and therefore responsible for customer experience delivery. It gives everyone ownership of the issue.”*

Simon Glynn agrees that a customer experience function is not an easy solution to the problem. *“You want to get a coordinated focus on the experience, so having a dedicated experience function looks a good way to do it. But the things you need to do to create*

that experience don’t sit centrally – they are distributed across organisational divisions and throughout the field, usually with operational and financial consequences for the local businesses – and so a separate experience function often finds it difficult to make things happen.”

Marketing is represented on just over half of management boards.

Our study found that just over half of organisations have a marketing director or CMO on their group management board. *“This is disappointing,”* says Thomas Brown, CIM. *“We know that when CMOs do form part of the board, they have a key influence on how other elements of the business get involved in working with customers – which underpins what this research is all about.”*

Simon Daggett agrees. *“It does make a difference that at the highest level, we have an individual wearing a customer hat – someone who is both a representative of the customer and who is conscious of how we are engaging with the customer. It brings a balanced mix to the board of someone looking at the company outside in, rather than just inside out.”*

But it’s about more than presence, argues Elizabeth Fagan, Marketing Director at Boots UK. *“Just having the presence isn’t enough – that marketing person needs to work to gain the support from the CEO and all leaders on every level. Only if they can engage with colleagues across all functions about the brand and customer experience can they have a real impact. In fact, I’d say that the biggest compliment you can have is to be invited into different departments to help colleagues, say in finance, understand why the brand is behaving in a certain way – and in my experience, that is most likely to happen when you have a key role at the top.”*

MARKETING CLOUT

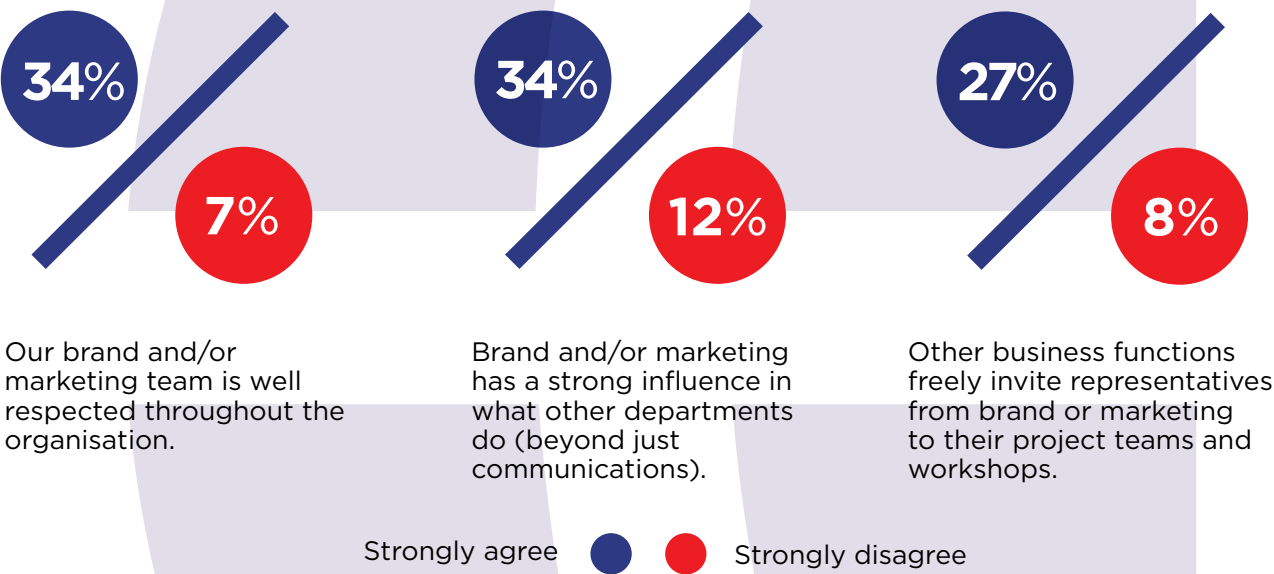
Marketing teams generally have relatively poor levels of respect and influence.

A third of organisations believe that their marketing team is well respected across the organisation. At first glance, this flies in the face of the widespread belief that marketers remain largely unnoticed and uninvolved in key decision making. But this leaves two-thirds of organisations reporting that the marketing function carries very little or limited respect. The same number state that their marketing people are not invited to join project teams and workshops led by other business functions. What’s more, three-quarters say that marketing’s influence over other departments is, at best, weak.

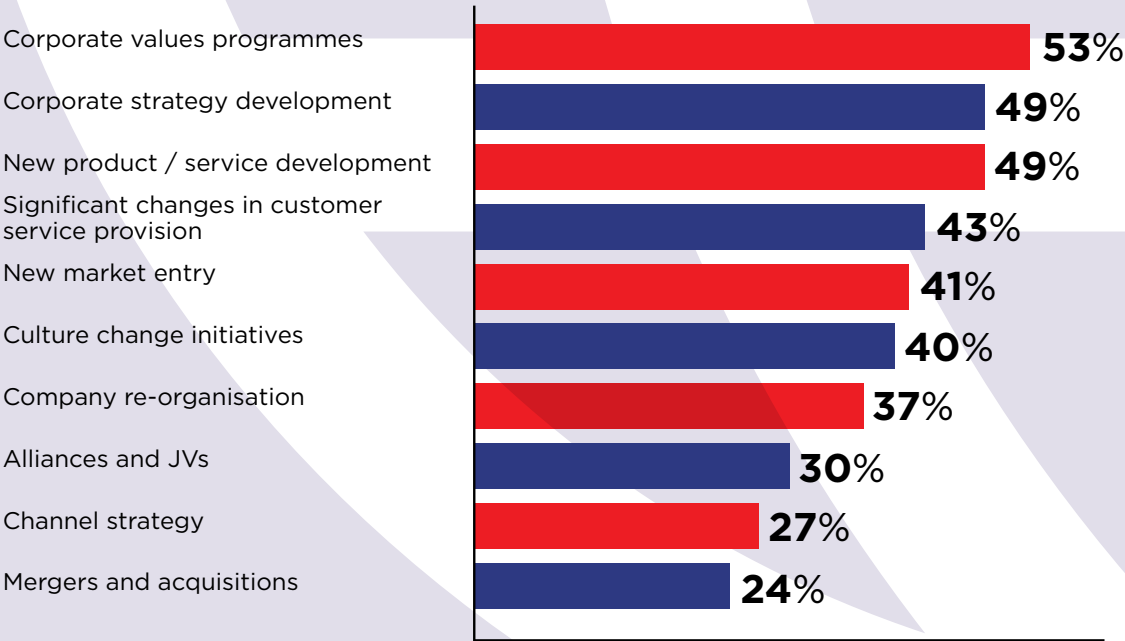
“In the context of brand experience, this is impossible to overlook,” says Thomas Brown. “If marketing is not highly respected or given an opportunity to contribute or create value to the organisation, it’s hard to see any other result than it ending up in a silo, fighting to get its messages out.”

Annabel Venner says the fact that their MD is also Group Marketing Director has had a massive impact on the way marketing is perceived throughout the organisation. *“He joined Hiscox around six years ago and the whole organisation has been on a fast track journey ever since, the result of which is that the marketing department is better respected than ever. We’ve worked hard on proving that marketing leads to increased sales and loyalty in a language that people understand and that’s had a huge impact. After all, if you sit in a marketing team and that’s all you do, there will of course be issues. But where you have a marketing team that reaches out across the organisation, you get much higher levels of respect and are invited to participate in far more.”*

RESPECT AND INFLUENCE UNDER PRESSURE, BUT POSITIVE SIGNS OF INPUT INTO CROSS-BUSINESS INITIATIVES.



Are your marketing or brand leaders consistently represented in, and contributors to, cross-business initiatives?



MARKETING CLOUT

Marketing input into other business initiatives is high.

Surprisingly, in view of the previous finding, we found that input from marketing or brand leaders into other business initiatives is relatively high, particularly when it comes to corporate values programmes, corporate strategy development, new developments and changes in products and services.

The further down the table you look, however, the less positive the story becomes. Alliances and joint ventures, mergers and acquisitions, and channel strategy, all have significant impact on how the branded customer experience is delivered – yet we found marketers have a limited or even diminishing role.

“The results around channel strategy are particularly worrying because you would have thought it goes hand-in-hand with marketing,” comments Simon Glynn. “Meanwhile, partnering off with another organisation – as in mergers and acquisitions – surely requires a huge emphasis on the two brands coming together and the complexities involved in this.”

One of the biggest challenges faced by Aston Martin involves ensuring that marketing contributes to the area of new product and service development. *“We had a good starting point in that marketing has a high degree of respect generally within our company because they are the ones building the dreams and aspirations – and we are a brand all about dreams and aspirations,”* says Markus Kramer.

“Where it has been trickier is bringing the voice of the customer back into the organisation, particularly to influence product development and design. It started for us when we tried to capture the voice of the prospect who gets close but, for whatever reason, winds up rejecting us. I felt we needed to know why – to quantify it and then translate it into an engineering voice. After all, if marketers simply speak intuitively, saying, ‘I think you should change x, y and z on the car’ with no firm evidence, that’s not strong enough for us – it must be substantiated. So we built credible business processes that are fully understood and respected in the relevant departments and as such, marketing is now increasingly seen as a key contributor to this area.”

Timberland had a less positive starting point, but still managed to achieve success. *“Previously, when I was at Procter and Gamble, marketing was dominant. Investment in marketing was huge and marketing had a major influence over product design, as well as other functions. Typically, that isn’t the case in footwear, where product is king and marketing is an afterthought,”* says Mike Harrison. *“But by combining product and marketing together into my role as Chief Brand Officer, which I took on four years ago, it gives us the ability to make sure we are no longer saying, ‘Here’s the product, now how do we market it?’ but to design not only the products, but stories and initiatives into those products, right at that very early stage.”*

“We had a good starting point in that marketing has a high degree of respect generally within our company because they are the ones building the dreams and aspirations – and we are a brand all about dreams and aspirations. Where it has been trickier is bringing the voice of the customer back into the organisation, particularly to influence product development and design. So we built credible business processes that are fully understood and respected in the relevant departments and as such, marketing is now increasingly seen as a key contributor to this area.”

Markus Kramer
Global Marketing Director
Aston Martin Lagonda



ASTON MARTIN

STRATEGIC VISION

Brand positioning is seen as relevant and well aligned with company direction but this does not always translate to the customer.

It is reassuring that almost 60% of organisations say their brand promise is well aligned with their strategic vision or direction. But with less than half of businesses reporting that their brand promise is relevant and motivating across their business, questions remain about how the vision can actually be delivered. “If the brand promise has little or no meaning to the customer service team, for example, how can an organisation expect it to have meaning for customers?” says Thomas Brown.

More worryingly still, three-quarters of businesses say that while the strategic vision is in place, employees don’t necessarily understand it. “This begs a further question – if employees don’t get it, how can they create processes around it?” says Thomas Brown.

In addition, we found that only one in five organisations say they are willing to sacrifice short-term profits in order to adhere to a brand promise – and just 15% revise the brand promise to reflect market changes.

“Visions and brand promises are often written in a language that doesn’t clearly resonate with the employees,” points out Nigel Pyke, Partner and EMEA Marketing Director at

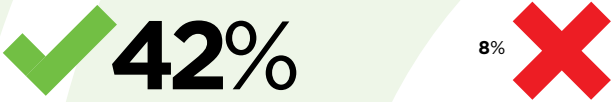
Cushman & Wakefield LLP. “There can be too much marketing speak and not enough clear business language. So while the intent is often there with the brand vision and brand positioning, in reality it doesn’t quite fit and is not in sync with the reality of the business. With us, the added challenge as a global and services organisation has been making our vision work so that it’s equally applicable in Asia Pacific as in the Americas.”

Mindful that it’s often the simplest brand visions that work the best (think Nike’s ‘Just Do It’), Nigel focused on developing an action statement that is easily accessible to all the different business teams. “Our vision and mission is ‘to be the world’s preferred real estate firm, providing the most creative and innovative services on a globally consistent basis, to drive value for our clients. To be the best at what we do.’ To my mind, that’s a typical corporate vision statement, but if I stood there and read that out, most employees’ eyes would glaze over. So we simplified that into the phrase – “World class advice for owners and occupiers of real estate.” Now, if you came into our reception or looked at our corporate notebook, you’d find that there because we’ve worked hard to make it omnipresent. The key for us is that it couldn’t get much simpler and that it can easily be translated into action.”

BRAND POSITIONING ALIGNED WELL WITH STRATEGY BUT STRUGGLING TO TRANSLATE TO THE CUSTOMER.

Drivers

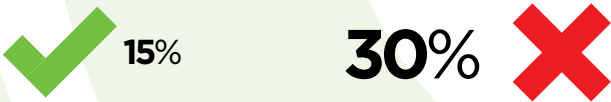
Do you have a brand promise or positioning that is relevant and motivating across all internal departments and levels?



Are you willing to sacrifice short-term profits in order to adhere to your brand promise?



Do you often make revisions to our brand promise or positioning to reflect market changes?



Do employees understand the strategic vision or direction for the company and brand?

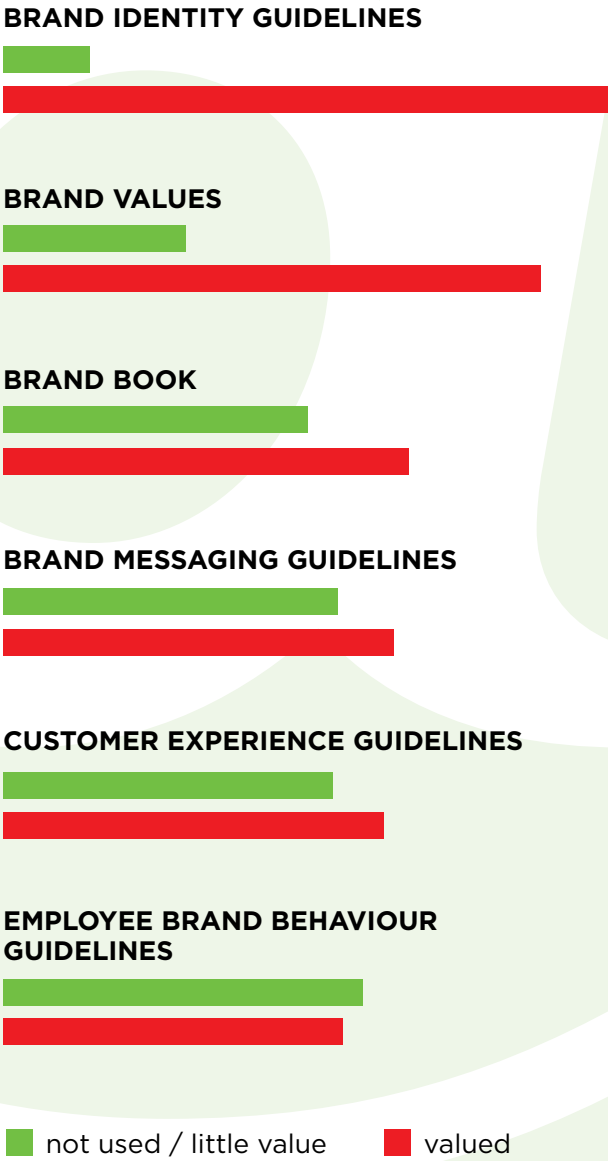


Is your brand promise or positioning well aligned with your strategic vision or direction?



Facts

Which of these brand management tools do you use and how useful are they?



Strongly agree Strongly disagree

STRATEGIC VISION

At DHL, the brand is the strategy, says Simon Daggett. *“Entitled Strategy 2015, it outlines very clearly where we are working towards in terms of providing simplified services and sustainable solutions for our customers. Basically, what that means is that everything we do should be simple for our customers to understand and that our solutions should be green or working towards becoming green. When we were launching this strategy, our entire focus was communicating this throughout the business and in a way that is relevant to every employee. There were webinars, town halls, posters and screen savers, just to name a few. Literally everything was focused on simplification and sustainability. Since the launch, we have brought out a brand book and brand video and we will continue to keep up the momentum so that every staff member remains connected to the brand at all times.”*

Brand management tools are not being used to their full potential.

Brand management tools enable organisations to take their brand promise and vision and translate them down into real activities that impact on the end customer. It is therefore reassuring to see that so many businesses use and value brand identity guidelines. But a third of organisations don't use brand messaging guidelines and nearly half don't use customer experience guidelines or employee brand behaviour guidelines.

“No wonder so few organisations believe their employees understand the direction their brand is going in if they are not investing in the tools that help this happen,” says Thomas Brown. *“These findings also shed light on why organisations may feel it's easier to invest in improving marketing communications rather than the customer experience. In short, businesses are failing to guide employee behaviour, especially around how they influence interactions with the customer.”*

Beyond looking at which brand management tools are being used by today's businesses, we wanted to know how useful they find them. Half the companies who use brand identity guidelines find them of significant value. But given that these guidelines are commonplace in the vast majority of organisations, why do the other half find them of some, little or no value? Even more concerning is the fact that in all other categories of guidelines, less than a third find them very useful.

“It's not just a question of replicating for customer experience what organisations do for brand identity,” says Simon Glynn. *“Brand identity guidelines are often quite prescriptive. Experience guidelines need to be much more adaptive – setting out the consistent principles, but leaving much more room for people to interpret them to suit individual people and situations – and guiding them in how best to do that.”*

There are two questions for organisations to ask themselves, says Thomas Brown. *“First, do you have the tools in place and secondly, do they actually work? We all know they can have a reputation for being a bit fluffy and not very beneficial to everyday working life. It would appear this isn't just a myth.”*

Mike Harrison believes his company has found a solution. *“Two potential problems of brand tools is that they can wind up as a dictatorial list of ‘you'll do x, y and z’ and that they don't wind up being used much outside marketing. So once we had developed our brand guide, we then took it to another level by turning it into a brand experience – a one-hour walk-through exhibition with training. Starting with the board of directors, we took 2,000 of our employees and franchisees from three continents through it over a period of 12 months, so they had a really in-depth experience of what Timberland is, and what is and isn't right for the brand. We then turned that into an e-learning module for everyone else. We update and renew it all the time because we need everyone to have that understanding, so that when they create a local brochure or campaign it's not 180 degrees wrong for the brand.”*

“At DHL, the brand is the strategy. Entitled ‘Strategy 2015’, it outlines very clearly where we are working towards in terms of providing simplified services and sustainable solutions for our customers. When we were launching it, our entire focus was communicating this throughout the business and in a way that is relevant to every employee and we will continue to keep up the momentum so that every staff member remains connected to the brand at all times.”

Simon Daggett
Director, Global Marketing
Communication
DHL Global Forwarding



CUSTOMER CENTRICITY

Decision making is not driven by customer insight and research.

We found that 86% of marketing and brand leaders say customer insight and research are not the main drivers of decision-making in their organisation. Whilst financial and other business drivers may take priority, we would argue that the voice of the customer – even if not dominant – is not wholly overlooked.

A similar proportion – 85% – are failing to anticipate customer needs when it comes to new products and services. Not surprisingly, technology led companies scored more highly than, say, law firms, but overall, the findings beg the question that if you don't anticipate customer needs, is it all just guess work? And with just over a third of businesses tracking and understanding what drives customer preference, what are they doing with this information if not using it to predict customer needs? Organisations, it seems, fundamentally lack innovation and – as we shall come back to later on – opportunities around how measurement can be used in business are clearly being lost.

“Insurance might not be regarded as one of the most innovative industries,” admits Lucy Yank. “Our products are by their nature quite traditional, so may not be perceived as innovative. That said, we are one of the world’s leading renewable energy and marine insurers and we work hard to anticipate changes in these sectors. Meanwhile, in car insurance – where offerings are very similar – we get round this sameness by trying to focus on service elements. How quickly do we mend your windscreen? Who does it and how do they get to your car? There are always things you can do.”

But customer insight is generally shared throughout the organisation.

Market and customer insight is permeating throughout organisations. The vast majority of people told us they share this insight with employees, senior leaders and the board either consistently or occasionally. As a standalone finding, this is positive, but when taken in the context of the previous finding, it is also surprising. Clearly, there is a mismatch between how much organisations share customer insight and how much they actually use it. Our findings on measurement later on in the report will shed further light here.

MARKET/CUSTOMER INSIGHT AND RESEARCH ARE SHARED WELL THROUGHOUT THE BUSINESS, BUT NEED STRONGER CONNECTION TO DECISION-MAKING.

Drivers

Customer insight and research are the main drivers of decision-making in our business.



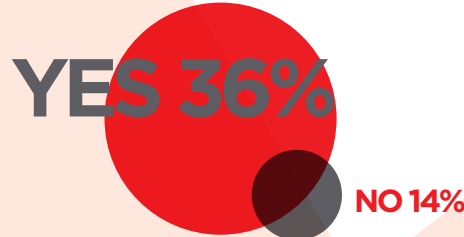
We anticipate customer needs with new products and services before they do.



Our employees care what customers think about the company.



We track and understand what drives customer preference.

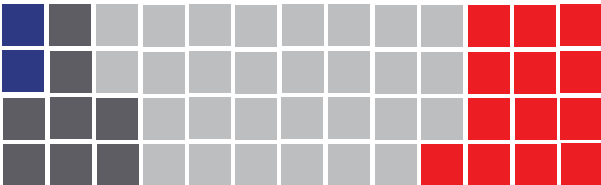


Strongly agree Strongly disagree

Facts

To what extent is market and customer insight shared within the organisation?

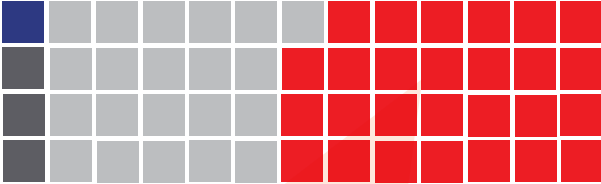
EMPLOYEES



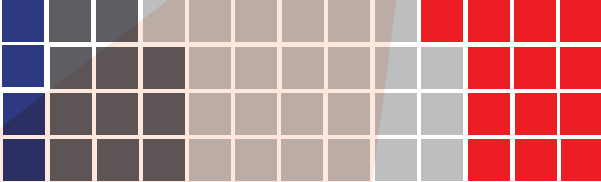
SENIOR LEADERS



OUR MAIN BOARD



AGENCY PARTNERS



rarely never occasionally consistently

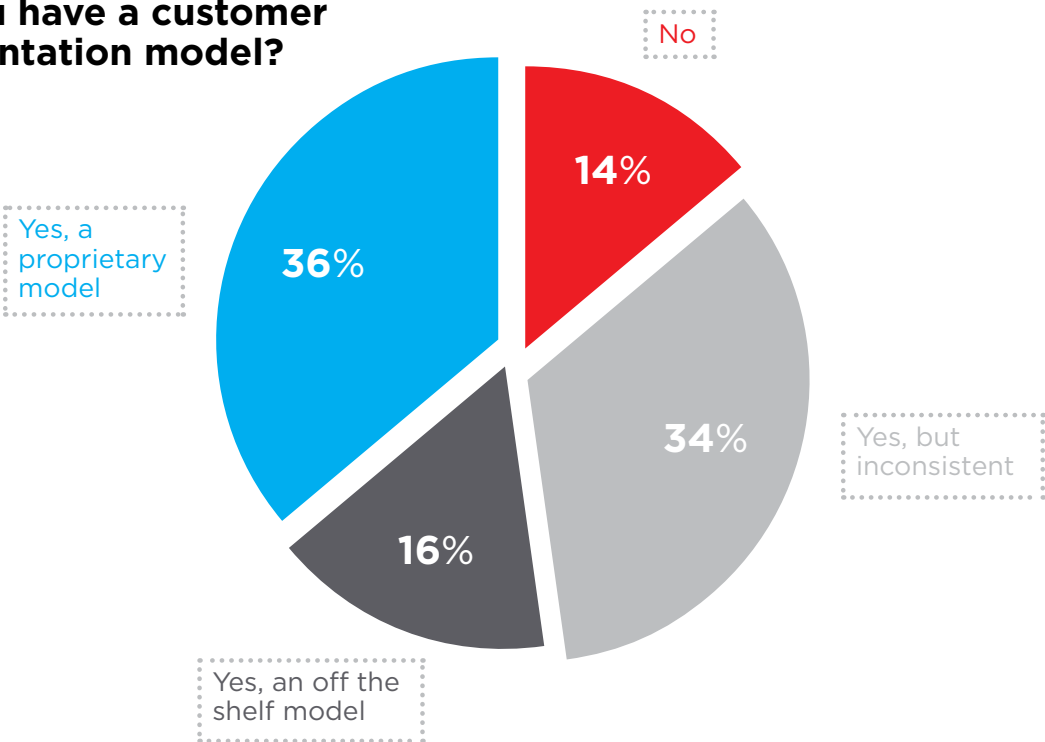
CUSTOMER CENTRICITY

Just a quarter of businesses acknowledge strength in sharing market and customer insight with their agency partners, calling into question how those charged with delivering design, communications and execution can truly succeed in bringing to life the desired branded customer experience.

“The way we get round this is to work closely with a managed roster of preferred agencies, who become extended and trusted members of the marketing team,” says Nigel Pyke.

“Invariably, this kind of culture means they get their information from marketers as and when they need it, whether that’s client feedback, market updates or relevant insights. Other efforts we’ve tried out include bringing all of our agencies in-house twice a year for a full briefing and update, as well as a reminder of our approaches and strategies, and we are planning to reintroduce that. As in-house teams get smaller and the reliance on third parties grows, there are huge benefits.”

Do you have a customer segmentation model?



Annabel Venner agrees. *“The majority of the time, key agency partners – which in our case are advertising and media agencies – are invited to briefs. Even if we’ve done some research about how brokers and their clients feel about a particular product of ours, we still invite those agencies to come along. There is a lot they can learn from that in terms of our plans going forward. We see these briefs as an important part of the bigger picture.”*

Most organisations have a customer segmentation model.

It is reassuring to see that most organisations have a customer segmentation model. *“When I joined Aston Martin three years ago, we didn’t have one,”* admits Markus Kramer. *“The company was about to implement a CRM project and when asked where the customer segmentation model was, it turned out that there wasn’t one. We took a big step back and gave ourselves an extra two months and the segmentation model quickly became a powerhouse. Today, we build everything around it, especially brand experience. In my world, it is at the very heart of what we do.”*

“Our products are by their nature quite traditional, so may not be perceived as innovative. That said, we are one of the world’s leading renewable energy and marine insurers and we work hard to anticipate changes in these sectors. Meanwhile, in car insurance – where offerings are very similar – we get round this sameness by trying to focus on service elements. How quickly do we mend your windscreen? Who does it and how do they get to your car? There are always things you can do.”

Lucy Yank
Group Customer and
Brilliant Service Director
RSA Insurance Group



CULTURE

Internal culture is well aligned and employees are empowered to build the brand, but this doesn't necessarily extend to delivering a branded customer experience.

A third of organisations say their employees feel empowered to build and protect the brand, whilst even more say they foster and promote an internal culture that fits with the external brand promise. Taken together, these first and last findings show that intent is there, with companies working hard to achieve brand ownership across the piece.

But the middle two scores (see chart on facing page) demonstrate that employees' understanding of their role in delivering a branded customer experience, and their knowledge about how to maintain that experience when things go wrong, is not as strong - revealing yet again that the intent is not always having an impact on the end customer.

"We have real difficulty in achieving consistency across our working culture and I think part of that is because we haven't historically made it clear enough to people outside of customer-facing roles what their impact is on the end user," says RSA's Lucy Yank. "Now, we say even if you don't have a customer facing role - you still have a major

influence on the customer and here's how. We put a huge amount of work into it."

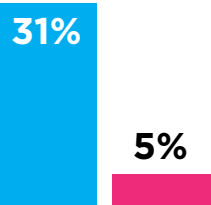
For DHL, the journey has been much easier. "Our business has been built on our brand and so we have managed to avoid these pitfalls. The founders of the organisation instilled a culture entirely focused on our brand, which means everything from the training of our teams to the Power Points used in presentations involves our brand values being very clearly defined and promoted and ingrained into every aspect. We are never off brand," says Simon Daggett.

It would be easy to assume that because Aston Martin is such an aspirational brand, that it goes without saying that employees live and breathe the brand values. "But actually most employees cannot afford our products," points out Markus Kramer. "So how do we ensure engagement and brand building? We find the common denominator and for us, that's passion. We build our brand model around that passion and we make it crystal clear on defining what that passion is about. The result is a culture that is very aligned to the brand. But if we didn't have that sense of connectivity between employee and customer, it would just be about a pay check and that would never work."

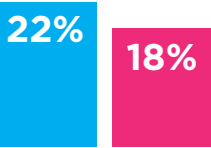
BRAND VALUES WELL REPRESENTED IN RECRUITMENT AND ON-BOARDING, BUT LACKING TRANSLATION TO THE CUSTOMER EXPERIENCE.

Drivers

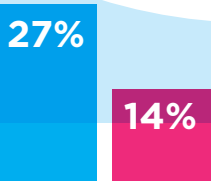
We empower everyone to build the brand and work to protect it regardless of department or level.



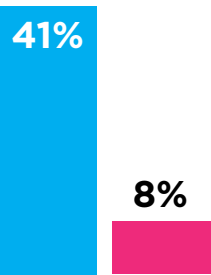
Employees understand their role in delivering a branded customer experience.



We empower and train customer facing staff in how to maintain the branded customer experience in real life when things go wrong.

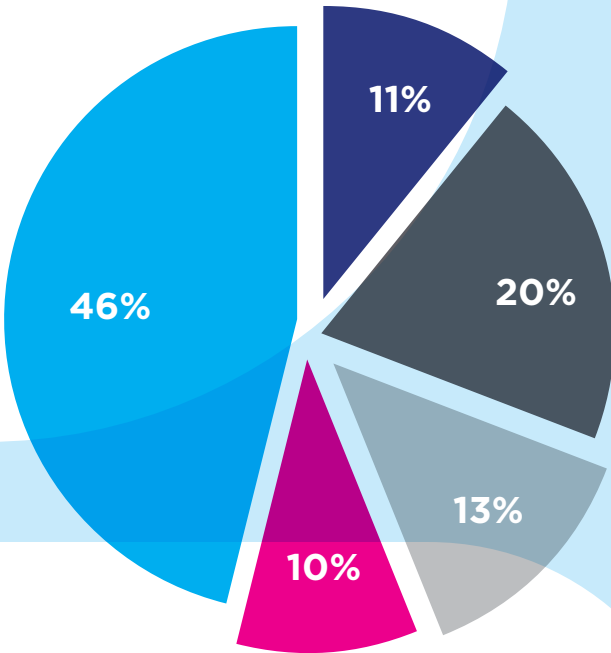


We foster and promote an internal culture and employee brand that are well aligned with our external brand promise.



Facts

Are new employees introduced to the brand promise and values when they join?



Strongly agree Strongly disagree

Does not feature
Available but is not presented
Marketing or brand-related roles receive a detailed presentation
Marketing and customer facing staff receive a detailed presentation
All employees receive detailed presentations

CULTURE

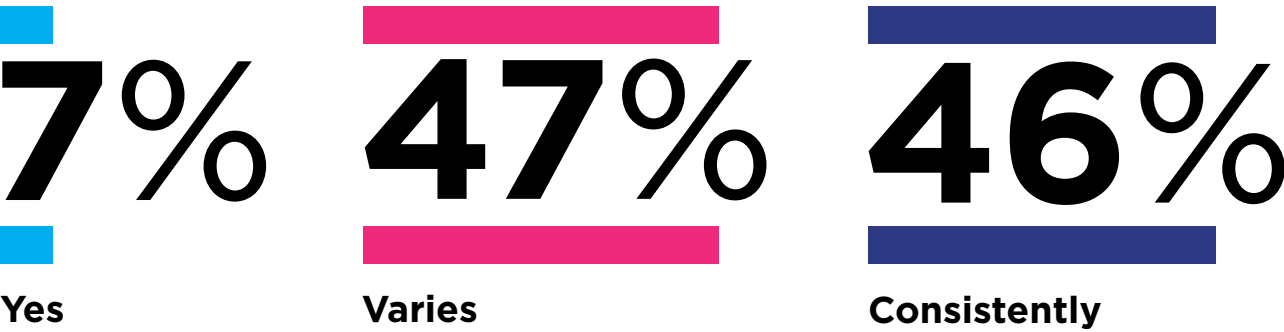
Brand reinforcement is key, adds Cushman & Wakefield’s Nigel Pyke. *“I think too many companies tell people once. There needs to be an ongoing campaign. A simple example is that the competitive strengths of our company are listed in the inside front cover of all our notebooks, whilst all our internal communications have the values of the company listed at the bottom. They serve as invaluable reminders. Meanwhile, a bigger example is that in the last 18 months, we have set up a digital noticeboard, entitled Connect. When you turn your computer on in the morning, it’s a bit like a tabloid, with three news stories about our key clients and employees that highlight how the brand is working on the ground – and it’s been a phenomenal success. It’s more than an intranet – it’s like daily news and is done very visually and in consumable slices. We’ve found employees have a greater recognition of our brand experience since this was brought in.”*

Brand values are well represented in recruitment and on-boarding.

Attracting and securing people who understand and align with an organisation’s values and aspirations is widely acknowledged as a powerful brand tool, and our research confirms that 93% of businesses do so in some shape or form, with half doing so on a structured and consistent basis. Also positive is that almost half of businesses provide all new employees with detailed presentations on brand promise and values. These are impressively high scores, although when placed in the context of the rest of our findings, the effectiveness of what they are trying to achieve is less clear.

Aston Martin scores highly for both. *“I spent seven years at Harley Davidson, where there was a huge emphasis on getting people into the brand who were the right fit and one of the great results was the behaviour that comes with the employee. The same goes for Aston*

Do brand values feature in recruitment?

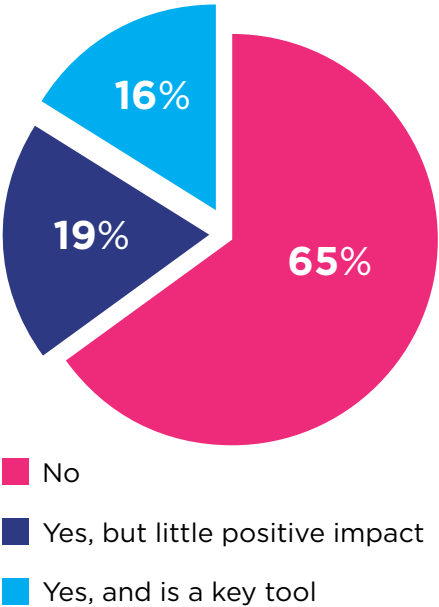


Martin,” says Markus Kramer. *“All the training and brand tools in the world can’t really work unless you get it right at this initial stage.”*

Few organisations have a brand champion involving employees outside of marketing.

Less positive is that the majority of organisations don’t have a brand champion or ambassador programme involving employees outside of marketing. One in five do have one, but report that it has little positive impact, leaving just 16% saying that they not only have one but that it is a key tool.

Do you have a brand champion or ambassador programme involving employees outside of marketing?



“I think too many companies tell people once. There needs to be an on-going campaign. A simple example is that the competitive strengths of the company are listed in the inside front cover of all our notebooks, whilst all our internal communications have the values of the company listed at the bottom. Meanwhile, a bigger example is that in the last 18 months, we have set up a digital notice board, entitled Connect. When you turn your computer on in the morning, it’s a bit like a tabloid, with three news stories about our key clients and employees that highlight how the brand is working on the ground – and it’s been a phenomenal success.”

Nigel Pyke
Partner, EMEA Marketing Director
Cushman & Wakefield



MEASUREMENT

Brand measurement and tracking exists, but is not linked to business value or success.

Fewer than one in five organisations are able to link the quality of their brand experience to an impact on business value. This provides the context, and indeed an explanation, for a number of our other findings and in many ways, it's what this report boils down to.

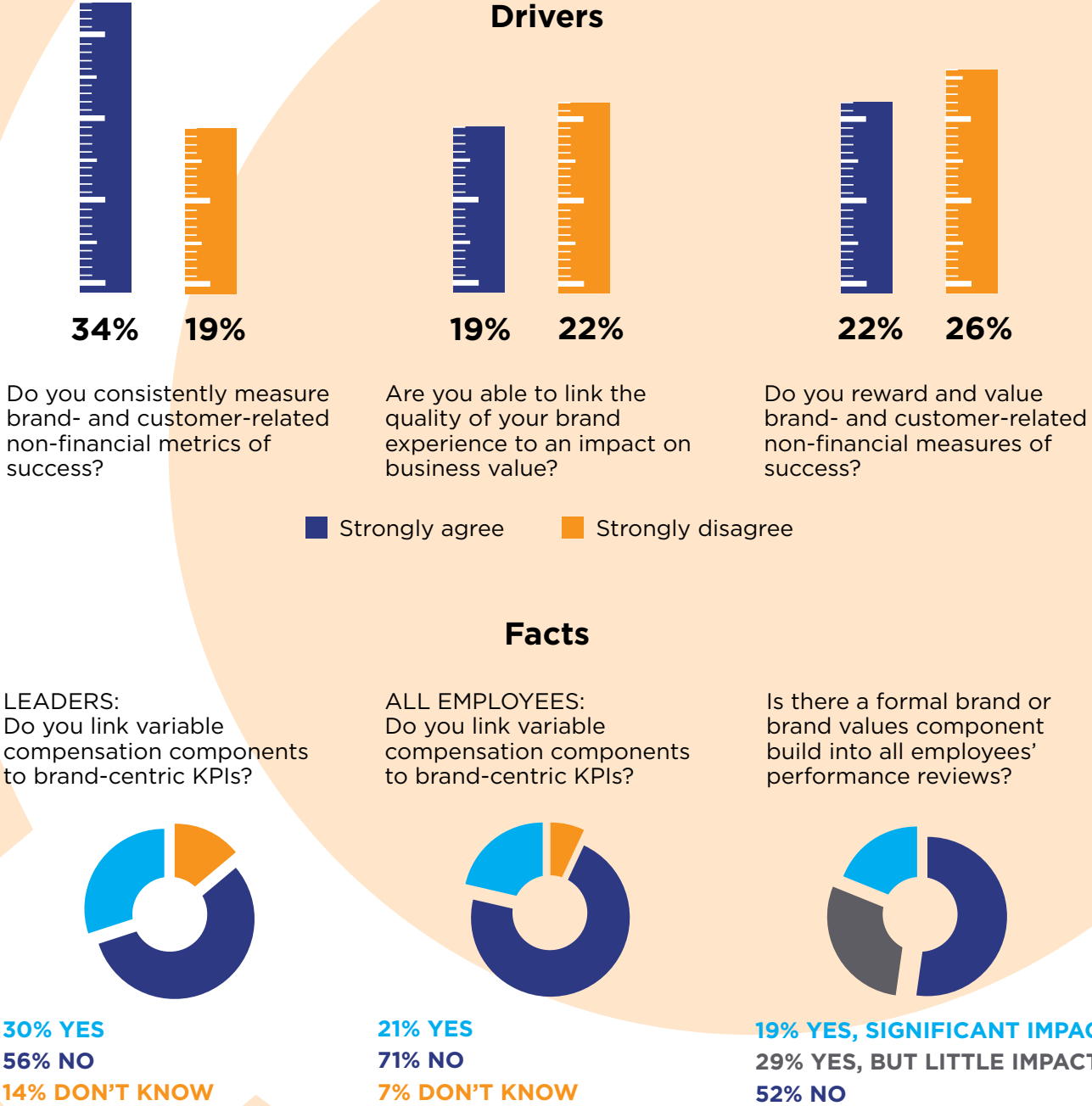
"If you can prove the influence your brand experience has on aspects such as customer preference, purchasing intent and retention of key staff, then you can prove the value of investing in it," says Thomas Brown. "What we have shown is that 20% of organisations say they are not great at this and almost a quarter admit significant weakness. This isn't to suggest that metrics can be used as a panacea; for some organisations, intensive investment scrutiny makes this a must, but for others the challenges go much deeper than the ability to prove a return on investment."

It's not that companies are failing to measure in the first place, with a third saying they consistently measure brand and customer related non-financial metrics of success. That said, almost one in five organisations admit

to being very poor at it. *"If you don't have the measures in place, it's really not surprising that you are struggling with credibility and indeed with creating this link between brand experience and business value,"* says Thomas Brown.

"At DHL, a customer opinion survey entitled First Choice invites customers to rate us on areas such as relationship management, satisfaction, sales contact, complaints, responsiveness, being proactive, understanding of our business, loyalty, recommendation and more," says Simon Daggett. *"Once we've measured our customer experience on these different touchpoints, we look at what we are good at and what we need to be better at. Those things we need to be better at we explore in greater detail. There might be something we need to do generically like improve an area across the whole business, for example, or we might put a customer improvement plan in place to solve an individual customer's needs. To achieve all this, we use the Six Sigma model. It's not a quick fix, but a sustainable solution, which again fits in with our brand experience. We are then able to link this back to business success."*

BRAND MEASUREMENT AND TRACKING EXISTS, BUT ISN'T LINKED TO BUSINESS VALUE.



MEASUREMENT

Nigel Pyke also measures the brand experience at Cushman & Wakefield. “We subscribe to a brand survey in the property industry every two years, which gives us a measure of our brand awareness, favourability and effectively a measure of our net promoter score. We also collect feedback from clients via annual, project and post-pitch reviews and in all of those we always ask some questions about the brand and the propensity to recommend us. We use that and discuss it with the board, as well as with business teams in terms of looking at our brand performance and feeding back to the relevant business teams. So between the harder metrics, as well as our own findings, we are able to track our brand measurements and link them to business value.”

The process is not always so straightforward, however, as Mike Harrison explains. “We typically rely on traditional measurements of consumer satisfaction. What we don’t have is a dashboard metric that says, ‘Is our customer experience improving or getting worse?’ So whereas other brands like Apple use net promoters where they consistently track the

advocacy for the brand, it’s an area we need to improve. As such, we are kicking off a whole lot of research on brand tracking and shopper research to understand the consumer experience in our retail process. We will then be in a position to link it back to business value.”

Finally, we found that less than a quarter of organisations reward and value brand and customer related non-financial measures of success.

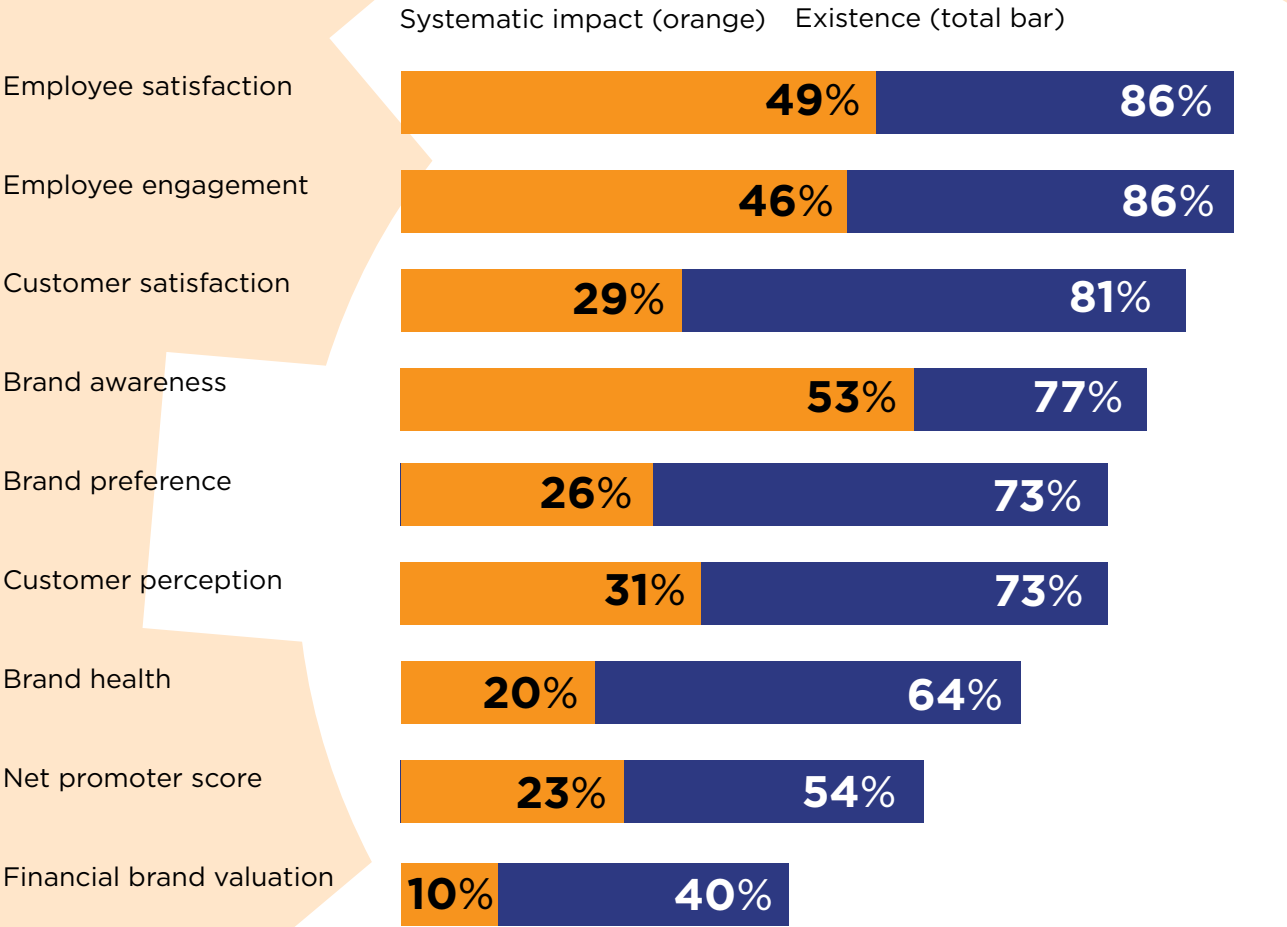
Many businesses do not link variable compensation components to brand-centric KPIs and over half of businesses don’t link brand with employees’ performance reviews.

The old adage that what gets measured gets done, but what gets ‘bonused’ gets done better, faster and with more enthusiasm, could not be more relevant.

“Our bonus scheme is driven by our customer opinion survey, as well as our employee opinion survey and it is a very strong motivator,” agrees Simon Daggett.

BRAND MEASUREMENT AND TRACKING EXISTS, BUT ISN’T LINKED TO BUSINESS VALUE.

Which brand and customer experience metrics does your organisation track and which have a systematic impact on decisions?



MEASUREMENT

Employee and customer satisfaction are the measures most tracked but only about half of the organisations consider them to have a systematic impact on decisions.

In terms of brand and customer experience metrics that organisations track well, the positive story is that employee satisfaction, employee engagement, customer satisfaction all boast high scores – although numbers drop when it comes to areas such as brand health, net promoter score and financial brand valuation.

The less positive story is the number of organisations saying that the results have a profound impact on decision making. *“If you take employee satisfaction as an example, it’s good news that 86% are measuring it, but the fact that the systematic impact is just 46% begs the question why are they measuring it? Is it because it’s easy and probably a legacy?”* says Simon Glynn.

There’s a definite correlation between the ease of measuring and the amount these areas are tracked, agrees Nigel Pyke. *“If you take*

brand health and financial brand valuation, for example, professional services firms are still not as sophisticated as they could be to look into these in any depth, although this is beginning to change. As it is, the brand measures are still relatively crude and their use is still in its infancy. But as the whole area of brand goes up the agenda, we do increasingly see it used in briefings and strategic conversations, although it is not yet perceived as it might be in a consumer organisation.”

Mike Harrison points to another reason. *“Employee satisfaction is a key area for tracking in retail because the impact of the employee on the customer experience is huge. We can see this anecdotally when, just by changing a store manager, we instantly see a 20% sales increase. The way he or she interacts with customers versus the prior one can make that big a difference. But – and this is critical – employee satisfaction surveys tend to be done from an HR perspective with a view to understanding how we are engaging employees, rather than looking at how it relates to serving consumers.”*

Aston Martin has been working hard at feeding customer satisfaction measurements back into the business. *“There is no rational reason to buy an Aston Martin and measuring something so emotional is difficult, especially when you only sell 5,000 cars around the world in a year,”* explains Markus Kramer. *“So yes we put the rational measurements in place, but we also invite customers for dinner with the chief designer, for instance. The trickiest bit is to find the process that lets this flow back into the organisation, but we are working on means of achieving this and tying it up with the science.”*

“Our MD joined Hiscox around six years ago and the whole organisation has been on a fast track journey ever since, the result of which is that the marketing department is better respected than ever. We’ve worked hard on proving that marketing leads to increased sales and loyalty in a language that people understand and that’s had a huge impact. After all, if you sit in a marketing team and that’s all you do, there will of course be issues. But where you have a marketing team that reaches out across the organisation, you get much higher levels of respect and are invited to participate in far more.”

Annabel Venner
Marketing Director
Hiscox UK



OPERATIONS

Operational processes are perceived poorly across the board.

Businesses scored very badly here, with roughly 80% rating their operations as poor in all four areas. Of particular concern is that operations and internal support services do not support the delivery of the desired brand experience and fail to reflect the brand promise. Also worrying is that so many suppliers and partners are not compatible with the brand promise, particularly given how many third parties play a role in today's organisations.

With research increasingly showing that the post-purchase experience can make the biggest impact on whether someone is going to be a loyal customer, an advocate or make recommendations to others, these four areas are not something that eight out of ten companies can afford to ignore.

Consider a financial services example: many banks build their brand promises on service, beyond merely competing on price. If a customer buys into a service promise from a particular bank only to find that post-purchase, their encounters in the branch or with the call centre are inconsistent with this promise, the brand has been compromised and the gap between promise and reality becomes clear. It is then this negative reality which turns a potential recommendation into a likely warning.

On the surface, Timberland is doing well when it comes to operations, says Mike Harrison, but delve a bit deeper and cracks emerge. *"Our operations are delivering the results they are being measured against, but unfortunately they are not sufficiently focused on the consumer experience. So whilst we are a pretty operationally lean organisation - very tight on our inventory management and with pristine balance sheets - a lot of the metrics we use to achieve that often contradict the objectives you might use for customer experience. For example, only ordering what you need and then saying, 'Sorry we are out of stock' when a customer comes to reorder is an example where our operational disciplines - supply chain, customer service and so forth - have been working against a functional agenda rather than an integrated consumer experience agenda. There is a tension there that we haven't fully solved."*

Over half of organisations invite input on ways to improve customer service.

Four out of five organisations are making the effort to invite input in some way, shape or form, on ways to improve customer experience - a reassuringly high figure.

"There are so many channels for our staff to feed back that I am very positive about this area," says Nigel Pyke. *"We have our intranet newspaper, where people can type in their comments and text in real time and have*

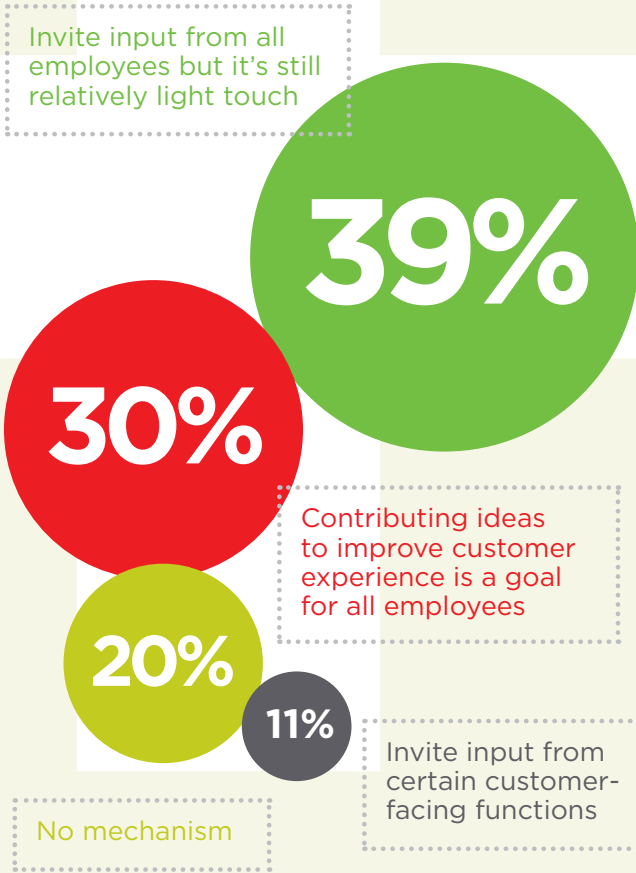
OPERATIONS AND INTERNAL SUPPORT SERVICES AREN'T SUPPORTING THE CUSTOMER EXPERIENCE.

Drivers



Facts

To what extent do you enable employees, regardless of function or seniority, to suggest ways to improve your customer experience?



OPERATIONS

them displayed on screen. There are one-to-ones, where people can discuss suggestions and we also hold regular town halls, where people can get together to voice issues they are concerned about. Then there are their performance reviews.”

Elizabeth Fagan is also optimistic about Boots’ efforts in this area. “In addition to the 30,000 customers who give us feedback every week – mainly online but also through the call centre and in store – we ask for colleagues’ feedback on a weekly basis, with several formal and informal processes supporting this. The end result is a culture of feedback and one in which we all hold each other to account, which in turn has a direct impact on improving customer service.”

There are three clear leaders when it comes to brands perceived as ‘world class’.

We asked which brands or organisations people view as ‘world class’ in the delivery of a consistent and integrated branded customer experience. Virgin, Apple and John Lewis were named as the top three.

Besides showing that the sheer size of brands can affect perceptions of the customer experience, these three companies also stand out for their emphasis on making staff care about the customer experience. In John Lewis’ case, none of the 70,000 people who work there is considered an employee – they’re all ‘partners’, who jointly own the business and get a profit share based on how much profit is generated by the business.



Beyond this, the big three teach protocol, but empower staff to make decisions themselves. They make sure front-line staff feedback on what customers want and they maintain customer service levels online. Apple is particularly renowned for having built up its brand consistency over time with a series of products and services that reinforce the company’s central identity at every given touch point – so it’s not just the sleek elegant products that push the boundaries of innovation, but the fact that Apple ensures this shines throughout every part of the purchasing and after-sales process.

Meanwhile, the Virgin brand revolves around delivering value pricing, high quality, fun, great customer service, and innovation, and being authentic, people-oriented, hip, and associated with Virgin founder Sir Richard Branson and his personal reputation. The very fact that it has been applied to radio stations, record companies, retailers, airlines, mobile phone companies, broadband ISPs, train services, motor vehicle sales, financial services and more, shows that consistency can be achieved even in the most diverse of businesses.

“Our operations are delivering the results they are being measured against, but unfortunately they are not sufficiently focused on the consumer experience. So whilst we are a pretty operationally lean organisation, a lot of the metrics we use to achieve that often contradict the objectives you might use for customer experience. For example, only ordering what you need and then saying ‘Sorry we are out of stock’ when a customer comes to reorder is an example where our operational disciplines – supply chain, customer service and so forth – have been working against a functional agenda rather than an integrated consumer experience agenda. There is a tension there that we haven’t fully solved.”

Mike Harrison
Chief Brand Officer
Timberland



VIEWS FROM THE TOP KEY INTERNAL ISSUES

Measurement capability and the skills of the marketing and brand team are not seen as big barriers to progress.

Looking across 2012 and beyond, we questioned our participating marketing and brand leaders on the internal challenges they face and their concerns as to which might have the most negative impact. Unsurprisingly, budget and resource constraints, as well as IT systems – which are notoriously costly – top the list in the current economic downturn.

Perhaps more interesting, however, are the issues that businesses believe will not be a problem. Only a third consider measurement capability a major barrier to progress. *“Measurement and ROI have been a long-standing feature in much of our benchmarking and research over recent years”,* says Thomas Brown. *“We see it as positive that marketing leaders are, on the whole, optimistic about this previously worrying issue, suggesting some considerable progress has been made.”*

Annabel Venner, UK Marketing Director at Hiscox, says that even in companies such as hers where measurement is a high priority, there are areas such as social media, which may prove challenging. *“We are just about to move into social media now – starting off with a blog and UK twitter feed – but we don’t have hard metrics in there to measure the success of it.”*

The skills of the marketing and brand team also appear to be less of a concern to organisations than we anticipated. Although 77% of organisations see skills as a problem, the majority think this can easily be overcome and less than a quarter say it poses no problem at all. Given the current economic climate and other research revealing huge skills shortages in these areas, we will be keeping a close eye on whether it really does prove to be unproblematic for businesses in 2012/13.

ISSUES OF MOST SIGNIFICANT CONCERN TO THOSE CHARGED WITH LEADING BRAND AND CUSTOMER EXPERIENCE.

“For us, skills is a much greater threat than financial constraints and IT,” says Mike Harrison. *“Traditionally, departments exist in silos, where marketing does one thing, brand management does something else and operations does something different again. The upshot is that it’s often hard for people to think beyond their discipline about how everything comes to light in front of the consumer. So we may develop lots of beautiful*

marketing collateral around a product launch but if the operations team doesn’t deliver all the products simultaneously to go in the window together, it can completely fall apart at the point of sale – and it’s the point of sale, whether in store or online, where brand experience comes to life for us. It is the combination of marketing and brand team skills that have the power to change that – to join the dots up.”



VIEWS FROM THE TOP KEY EXTERNAL ISSUES

The rise of social media is seen as one of the smallest external threats.

When asked to explore which external issues organisations think will be a threat to their brand experience in the coming year, 31% said the rise of social media is ‘of no real concern.’ When we consider that CIM’s Social Media Benchmark revealed not only an increasing pace of investment in social media, but also a weak grasp of metrics across the board, there is a concern that marketers aren’t fully recognising the impact of these digital channels on brand reputation and customer experience.

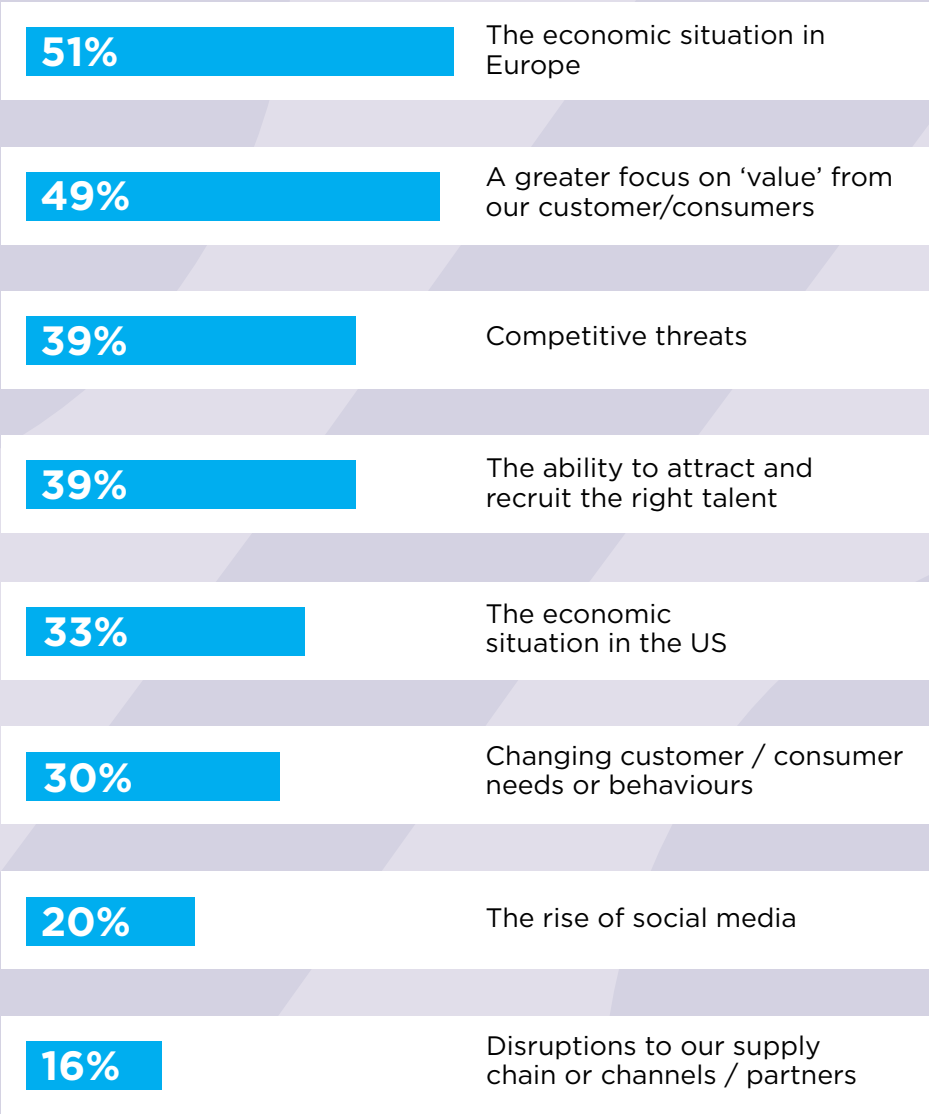
More reassuring is that half of businesses say that a greater focus on value from customers is a significant concern. *“This area does indeed have a profound impact on customers and how they make choices and decisions,”* says Thomas Brown. *“Two in every five businesses are also significantly concerned about the ability to attract and recruit the right talent.*

Again it’s good to see them recognising this very real problem, although it is worrying that a quarter see it as no problem at all.”

Perhaps not surprisingly, the biggest threat of all is seen as the economic situation in Europe, although Brown says the fact that 49% of businesses do not consider it a significant concern suggests they are either highly attuned to what’s going on economically or they are overly optimistic.

“For us, the economic situation is definitely a challenge,” says Annabel Venner. *“Although I work in the UK business, I’m very aware of what’s going on economically on a global scale and its impact here. In fact, it’s particularly pertinent for us because we are a premium brand so we don’t compete on price and we don’t do any offers or sales. In a recession, the challenge for us is how do we work out the value of our brand when it’s intangible? It is something we are battling with to try to work out.”*

ISSUES OF MOST SIGNIFICANT CONCERN TO THOSE CHARGED WITH LEADING BRAND AND CUSTOMER EXPERIENCE



CHARACTERISTICS OF HIGH-PERFORMERS: FINDING WHAT MATTERS

To discover which of the many points we investigated really make the difference to a company’s branded customer experience, we carried out three stages of statistical analysis. First was a factor analysis, designed to group the questions that respondents answered similarly, revealing the key themes in people’s minds relating to delivering their branded customer experience. The factor analysis generated six such themes:

- Leadership
- Belief
- Operations
- Measurement and reward
- Inclusion
- Influence

Second was a correlation analysis, to discover how these different factors are associated with successfully creating a branded customer experience, based on how the marketers we surveyed rated their own companies.

The final stage was to validate these self-rated scores for how strongly our respondents’ companies performed. To do this we used Lippincott’s proprietary Brandview survey of 5,000 UK consumers, which rates brands objectively on their customer experience as

assessed by their own customers. By focusing on the brands present in both the Brandview survey and the current research, we were able to confirm that marketers’ assessments of their own companies’ performance were objectively fair.

Only leadership and belief drive performance, suggesting you can lead your way to a branded experience but not manage your way there.

When we looked at how the six different factors correlated with successful delivery of a branded customer experience, leadership and belief came out the strongest by far.

For organisations struggling with customer experience, the message is clear: efforts should primarily be focused on how you engage leaders and how you drive belief. So while there are specific actions to take involving advanced analytics and measurements, as well as how you remunerate and reward people, these alone have a moderate impact compared with leadership and belief. In other words, these are the best areas in which to begin if you want to achieve the biggest impact, acting as boosters for any other initiatives.

DRIVERS OF PERFORMANCE: CORRELATION BETWEEN STATED EXTERNAL PERFORMANCE AND BRAND EXPERIENCE DRIVERS.



CHARACTERISTICS OF HIGH-PERFORMERS: WHAT CAN YOU DO TOMORROW?

Our research shows that many organisations recognise that customer experience is critical, but the majority are nevertheless performing relatively poorly at the moment. We used our findings to identify the top five ‘facts’ that are linked with being a top performer, in order to provide marketing leaders with practical, clear and achievable goals to improve their situation.

We found that providing tools and guidelines is critical – notably customer experience guidelines and employee brand behaviour guidelines. If marketers are to communicate and educate people internally as to what the brand experience is all about and how each department has different impacts and responsibilities around it, this is not an area to be ignored.

The same goes for brand values. If you want your organisation to stand for something, you need to ensure that the brand is used consistently throughout the whole recruitment process. It’s about making sure that you bring in people who are in line with the values that the organisation aspires to stand for, and deliver through its brand promise.

Our top five facts also revealed that the reputation of the CEO should be developed so that it becomes key to the brand story both within the business and outside of it. Meanwhile, market and customer insight must be consistently and regularly shared with the main board.

These are not stand-alone facts. They must be developed in conjunction with each other. They can also only be achieved to their maximum potential if they span far outside the marketing function. In other words, they are not issues that can be fixed in silos, they are things that marketing leaders need to work on across the organisation, with a view to forging much stronger connections with the business. Yes, it will potentially mean leaving their comfort zone – it may be tough, for example, trying to work with HR on employee guidelines and changing the recruitment policy – but these are areas that can have a profound, tangible and in some cases immediate impact on improving brand experience.

This is all common sense. The problem is that it doesn’t seem to be that common, with a surprising number of organisations appearing to overlook these key but simple issues.

TOP FIVE ‘FACTS’ LINKED WITH BEING A HIGH-PERFORMER.

	% of top performers saying yes	% of poor performers saying yes	Difference
Use Customer Experience Guidelines and are of significant value	55%	0%	55%
Brand Values feature in recruitment consistently, from advertising to interview to placement	82%	33%	49%
Reputation of CEO is integral to brand story both internally and externally	73%	38%	35%
Market and customer insight is consistently shared with our main board	73%	38%	35%
Use Employee Brand Behaviour Guidelines and are of significant value	36%	5%	31%

CLOSING COMMENTS

The discipline of marketing grew up in the world of packaged consumer goods, using the marketer's communications toolkit of design, packaging, advertising and sponsorship. In today's service-dominated economy brands are created much more through the customer experience; the radical transparency of the digital world has amplified that trend.

What this research shows is that senior marketers clearly recognise this, but are challenged by its implications. It fundamentally changes the role of the marketing head. In the realm of communications, the toolkit was familiar and the mandate from the organisation was clear. In the realm of customer experience, the toolkit is often unfamiliar and undeveloped, and the mandate is complicated, as the execution required must take place across the organisation, under the marketer's influence but not control. Some people have described this new role as 'orchestrating' the experience, but even this gives the marketer more legitimacy to direct operations than is typically the case.

The importance of leadership and belief in unlocking the great branded experiences highlights the need for a transformation from the top, beyond what most marketers can make happen directly. We hope the findings from this research give marketers some support both in influencing the top-down agenda, and in introducing the most effective tools within the areas that they can directly drive.

"The way we see branding is increasingly experiential. This is primarily part of the shift from FMCG to the dominance of brand in a service economy. The best brands are created, not just delivered, in the experience – think not just service brands, like Starbucks and Virgin Atlantic, but experiential product brands like BMW and Apple. This is a hard shift for marketers to adapt to, requiring them to step out of their traditional roles as they learn to influence the experience across all facets of their business. The support and leadership of the senior team will be crucial in ensuring success."

Simon Glynn
Head of Europe
Lippincott



ABOUT US

About CIM

As the world's largest organisation for professional marketers, we play a central role in educating, developing and representing our profession. Our Research and Information division is at the forefront of marketing and sales knowledge creation, producing global insights, trends and forecasting, thought leadership and policy and information services. Engaging with us means being part of something bigger: a community of marketers and business professionals who exchange key ideas and experience.

Find out more at www.cim.co.uk



About Lippincott

Lippincott enjoys an enviable track record in solving the most complex challenges facing corporations today as they shape their brands for tomorrow. We craft authentic stories and memorable experiences for the world's best-loved organisations. We see brand as possibility.

Find out more at www.lippincott.com

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