

Branded Culture

Brand Lip Service Leadership

It's all too common in corporate Malaysia

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In a nutshell...

- Great companies – brand leaders – focus on building cultures that deliver loyalty-building brand experiences.
- “Brand Lip Service Leadership” refers to senior leadership teams that verbalise that the customer experience is critical to success, but then have a short term profit focus.
- The result is cost cutting that slices into the customer experience and saps employee morale at the same time.
- A practical example is provided of a leader who focuses on building his people and building the culture of his company – with excellent employee, customer and financial results.

**Strong
brands
focus on
building
strong
cultures**

**Just imagine
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bad mood...**

There is an issue that has been vexing me for some time. Branding has become a critical strategic priority in today's dynamic competitive markets. The issue that is on my mind is, "If branding is so important, then why are so few companies in Malaysia excelling at it?" My view is that a key reason for this is that leadership of organisations pay lip service to creating cultures that are engaged to deliver branded customer experiences.

Universities around the world study great brands like Southwest Airlines, Apple, Zappos, the Ritz-Carlton and the John Lewis Partnership. In each case, the starting point for great success is culture and people. Tony Hsieh, the celebrated CEO of the on-line shoe retailer Zappos, has maintained a consistent message from when he started the company in 1999: to create the very best culture, delivering the very best service. Tony sees that culture and branding are flipsides of the same coin. The mission of the John Lewis Partnership is "the happiness of all our members, through their worthwhile and satisfying employment in a successful business".

Managers and employees are brand ambassadors. It is common sense that engaged employees will go the extra mile to deliver positive, branded customer experiences. In every service encounter, they ARE the brand. Just imagine if Mickey Mouse came to work in a bad mood one day! Can you imagine the bad word of mouth, followed by email spam that would follow? Mickey, or rather, the actors who play Mickey, know that Disney's brand promise is fun and entertainment, and they deliver, day in and day out. This doesn't happen by accident. Rather, it happens because great companies like Disney spend an enormous amount of time and resources to engage employees who will deliver on the brand promise.

I was talking to a senior manager of a major international company in Malaysia. This is a major global brand. The manager was lamenting the declining state of his company. The CEO of this organisation has called (once again) for cost cuts across the organisation. The only problem is that employees are already under-resourced, stressed to the max and are drowning under the workload. The CEO has informed his team that if they cannot handle the (increasing) workload, he will find people who can. This is not the best way to motivate your hard working, stressed team! The senior management team mirrors the behaviour of the CEO

The senior team is too busy making sales and cutting costs to build a culture

and they seem to be forever busy in their offices. They focus on action plans and KPIs. They talk about customers, but, frankly, the words leave their lips and then go into thin air.

Oh, I almost forgot to mention one more thing. This company has a brand promise. I will not let you know what it is, to protect the not-so-innocent. The only problem is that the promise is not alive in the organisation. The senior management team is too busy chasing sales and cutting costs to be building a culture that delivers on the brand promise. And, if you were an employee and went to the company's annual report to find out what the brand promise is, you would be too stressed and de-motivated to deliver the brand experience.

The CEO of the company that I just mentioned gets an “F” for Failure for his ability to build a sustainable competitive advantage through the brand experience. He will continue to lose good people. His across-the-board cost cuts will also cut into the customer experience, driving customers away. His profits will continue to slide. And he will continue to blame ‘market conditions’. In short, he simply doesn't get what it takes to build a strong, sustainable service brand in the marketplace.

The keys to the value of your brand are held in the hearts and minds of your customers

If that leadership team were to go on a “Branding 101” course, they would learn that a brand is not just about advertising. It's not just about a logo. The keys to the value of your brand are held in the hearts and minds of your customers. Your brand is your reputation. And if you are in the service business (as most companies are) your people play a critical role in delivering your brand experience. In short, you have to devote a significant amount of resources to engage your people to *want* to deliver on your brand promise.

These types of management teams have forgotten about the importance of their people. And they definitely don't appreciate the importance of culture to build strong brands. They pay lip service to the slogan, “people are our most important asset”, and then they drive them into the ground with overwork! This is understandable, as this style of leadership is usually invisible to their employees. The senior management teams don't talk to employees first hand and therefore do not understand what is happening in the engine rooms of their companies.

Senior management can come and go, but the lousy brands that they leave behind can last for years

My question to you is, “Does your company’s leadership behave in any way like the real live example that I have just given you?” If so, your senior management team is clearly focused on short term goals rather than building a sustainable brand. Senior managements can come and go, but the lousy brands with disengaged cultures that they leave behind can last for years!

My observation is that this style of management – Brand Lip Service Leadership – is too much the norm in Malaysia.

Okay, it’s now time to cheer you up with some good examples. Customers form a set of expectations about their experiences with your company. Your external brand image has a big influence on how these expectations are formed. If your customer expectations are met, your brand may be in safe mode. If they are exceeded, you will create advocates who tell others about your company. But if their experience is below their expectations, then your brand will be eroded. The challenge is engage your employees to deliver on your brand promise.

Good brand experiences result in satisfied, repeat customers ... who may even become your brand ambassadors

So, here comes good brand experience in Malaysia example number 1: My favourite Indian eating place is Nirvana in Bangsar, Kuala Lumpur. I enjoy the experience of eating my meal off a banana leaf – with my hands of course! I know what to expect at Nirvana – consistently good food, low price and fast attentive service. I’m welcomed back by Amutha. I’m a very satisfied, repeat customer.

Let’s step it up a few notches with a second good example. A TMI colleague who was visiting Malaysia from Ireland wanted a Tag Heuer watch for his wife. We had a very good brand experience at the Mid Valley shop. The staff spoke to us with good knowledge and good humour. We felt important. They spoke proudly about being on the Tag Heuer team. The company had given them opportunities for development and shown interest in their ideas. One of them had met a big name visiting celebrity, care of Tag Heuer. The staff seemed connected with the company that employed them. And they certainly were engaging brand ambassadors. The result? My colleague bought a watch and we have become ambassadors for the Tag Heuer shopping experience.

A leader who creates success by focusing on culture – and gets great commercial returns

Let's ramp it up a little more with a third good example. Paul Hutton, currently the GM of the Sydney Hilton, is co-authoring a book with me. I got to know Paul when he helped to make the Kuala Lumpur Hilton a service benchmark in Malaysia. I am most proud when Paul says that he was influenced by TMI many years ago as its service philosophy is to *put people first*. He does this – and gets great commercial returns in the process. People are always there to help and make you feel important. This has not taken place by accident. The senior management team has done a fine job in creating a people-centric organisation. When you approach a staff member at the Sydney Hilton, you are acknowledged. If you ask for directions, the staff member will walk with you.

Paul and his senior team put in a huge amount of effort to engage their team. There is free food in cafeteria for all employees. Managers and staff dine together – there are no “executive dining eating areas” under Paul's watch! I attended one of Paul's morning daily briefing sessions with his top team in Sydney. The first item on the agenda was positive customer feedback. Paul started with what the Hilton team was doing well. He then turned to an issue that a customer had raised and arranged for someone to deal with it. The agenda then continued on to customers – and special guests staying at the hotel. The meeting then reviewed the occupancy rates as well as employee development. I spoke with the HR Manager. He told me that a standing agenda item on the Senior Leadership Team meetings is people. He said that Paul has a strong focus on training and succession planning.

Paul spends about 2 full weeks in one-to-one meetings with his team

Paul spends a lot of time on culture building. He has a one-to-one meeting with his top 20 people twice a year, and with the next 40 once a year. Each meeting takes between 45 and 90 minutes. That means that Paul spends about 2 full working weeks in one-to-one meetings with his extended leadership team. In that meeting, he connects at a personal level with the manager and gets a feel for the challenges that the management team faces. Then he asks them, “How can I help?” And, as appropriate, he follows through. And there is more...he takes a group of 8 employees for dinner off-site every week. At these “chew the fat” meetings (Australian slang for “let's talk about stuff”) he and his HR manager have the opportunity to get employees' perspectives and

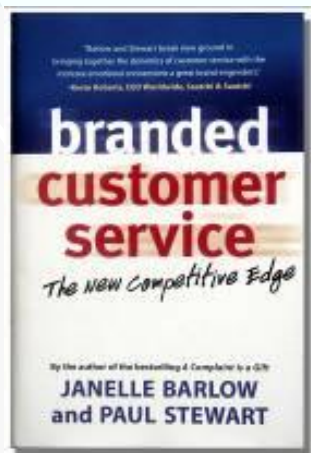
ideas on the business. Paul sets an example for his team to spend a lot of time on Hilton employees. Management spends a substantial amount of time building a culture that delivers the Hilton experience. And the rewards are great. The Hilton's occupancy rates and premium rates are more than enough to keep the owners happy. Their employee engagement scores are well above industry averages. And the result is customers like me who rave over the Hilton experience. It's customers like me who help to build the Hilton brand. After all, I hold the keys to value of the brand in my heart and mind!

So, there you have it. If Malaysian companies want to build strong service brands, they need to think beyond external branding. They need to build their brands from the inside out. It's going to mean a change in leadership paradigm in many organisations so that strategic investments in intangibles – on creating a branded culture – are given a much higher priority than at present. It means going from Brand Lip Service Leadership to true Brand Leadership. Until next month!

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