

In the introduction to their new book *Branded Customer Service - The New Competitive Edge*, Janelle Barlow and Paul Stewart write: "Despite all the money invested in branding, most brands underperform. The major reason for this is that most branding strategies today still rely heavily on advertisements, marketing, endorsements and other media-based approaches in an economy that has become predominantly service-based.

Organisations can gain maximum return from brand expenditures when everyone - rather than just the marketing department - reinforces the brand."

Barlow and Stewart are senior executives at global management consultancy TMI International. Their book, to be published in Australia in October, is billed as a "comprehensive, practical guide" to branded customer service. That might sound like just another example of empty marketing-speak, but in reality, branded customer service is a concept that many companies are waking up to and treating seriously.

So what do Barlow and Stewart mean in their introduction?

Essentially, all companies providing a service need to

realise - many already do, but many have yet to cotton on - that the most catchy or elegant advertising campaign or the punchiest direct marketing program can count for nothing in building a brand's values if the consumer has even a single negative experience dealing with that company. Consumers are demanding better service, but the more they are promised, the more they will be angered when those promises are not met.

More often than not, the point of contact between customers and the company is the front-line employee, either face-to-face or over the phone, even online. What this means is that all staff, no matter how junior, who deal directly with consumers are a company's "brand ambassadors".

In failing to recognise this, companies risk pouring their marketing budgets down the drain if the promises the brand makes to customers in, for example, an ad campaign are not reflected in the way customers are treated.

Hence, switched-on companies - most importantly in service sectors - are devoting substantial resources to ensuring that their front-line staff know they are

playing a critical role in promoting the brand.

The managing director of TMI in Australia, Ralph Simpfendorfer, says there are many steps companies must take to put this into practice. "The first step is to get the front-line staff to understand what the brand's values are. Of course those values are recognised in the marketing department, but at the front line are employees even aware of what your brand stands for?" he says.

"It is an education, motivation and communication process, which must be ongoing."

As an example of outstanding branded customer service, Simpfendorfer points to the Virgin group of companies. "Virgin [gives] customer service that is completely branded. In other words, it is defined exactly in the customer's mind so the customer knows exactly what to expect, and staff are motivated and trained to want and know how to provide that [service]," he says.

Leadership from the top is crucial. Virgin's chief executive, Richard Branson, is a figurehead, but Virgin is not the only company in this position. Others, such as Aussie Home Loans,

Harvey Norman and Flight Centre also have effective branded customer service because the top executive or company founder is also a genuine motivator - respectively John Symond, Gerry Harvey and Graham Turner.

Follow the leader

But only a handful of companies have this type of charismatic leader, so what can others do? One of the biggest problems in getting the message across to front-line staff about brand values and their importance is often cultural.

Specifically, there is in many companies a big cultural divide between the marketing and human resources departments. Typically, neither talks to the other, which means the executives who are establishing the brand do not communicate with the executives who manage the company's people. Marketers see their job as external communication, while human resources executives are usually focused internally.

In many companies, especially in financial services, these demarcation lines are being eradicated.

The Westpac Banking Corporation, for example, has spent almost two years

redefining its culture to the point where marketing and human resources executives are equally responsible for the internal and external branding function. In late 2002, the bank launched its "ask once" marketing push, an aggressive (and risky) bid to change the bank's image with customers and to motivate its front-line staff around the Westpac brand.

Westpac's group executive, people and performance, Ilana Atlas, says the project was primarily about brand alignment. "What you tell your customer needs to be aligned with everything your employees think you stand for," Atlas says. "The, 'Ask once' [theme] is the promise we make to our customers, but also we have built it into the way we motivate our employees."

Atlas says two aspects of the project were critical: focusing on the customer, and concentrating on the support and development provided to staff. "It's all very well being nice to the customer but [front-line] employees have to actually deliver what the customer wants," she says. "The best way to do that is education and the best way to motivate people is through the leadership they get and by giving them lots of recognition when they deliver on the promise."

To that end, Westpac holds twice-yearly leadership forums for all front-line staff, which are led by the bank's managing director, David Morgan.

These forums provide a framework for employees to learn and to air their own views to the most senior executives in the organisation. At the same time, Westpac has instigated regular "exit polls" at its branches, where customers are asked for feedback and to nominate examples of excellent service. Employees who are singled out receive awards and other incentives.

Atlas says changing the bank's marketing and human resources culture has been a big motivator in the past two years. "It's all integrated. We don't have a separate marketing department or human resources as such. Everyone here can articulate the relationship between employee engagement and delivery to the customer," she says.

In any organisation that employs large numbers of front-line sales people, either in branches or at call centres, staff churn rates are a problem. Employee turnover is expensive because of the high cost of hiring and training new staff. According to

Westpac, since the introduction of the "ask once" program, annual churn rates among branch and call centre staff have dropped by almost 20%, to less than 10%. (The average churn rate in call centres around Australia is about 25%.)

Culture shift

It is a similar story at Suncorp. In the past three years, the Queensland banking and insurance group has also undergone a radical cultural change, where the human resources and marketing functions have become interlinked. At the end of August, Suncorp launched its first big branding campaign in New South Wales and Victoria to rejuvenate the general insurer GIO, which Suncorp bought in 2001 for \$1.4 billion. The campaign, whose theme is "no worries", revolves around front-line staff, and in particular, Suncorp's 1400 call centre staff.

Suncorp's general manager for personal customer sales and service, Andrew Mulvogue, says: "This campaign is not just about pushing out a catchy marketing concept. We have to make sure it actually does mean no worries for the customer - we have to deliver that promise."

Mulvogue says it is essential to educate every front-line staff member to know what the new GIO branding stands for, and that fully understanding the brand itself acts as motivation.

"My responsibility is to make sure every single [call centre] consultant who has interaction with customers knows how to meet the customer's brand expectations. Our culture can now make that almost like second nature - marketing and human resources are not departments any more, they are part of the whole customer experience."

Mulvogue adds that keeping staff motivated is critical, and doing that involves a "whole package" of measures that include a staff share scheme, agreed career paths, flexible working conditions, and, importantly, the empowerment of employees to make their own decisions.

"We've changed our structures to make sure our consultants' lives are not just based on call centre metrics. They have to know, own and love the business," he says.

KEEP YOUR PROMISES

Many companies believe branding is only about marketing and advertising.

To ignore the importance of front-line employees in establishing and maintaining a brand's values is dangerous.

Any company that makes a brand promise but fails to deliver it to the customer is doing so at its peril.

An increasing number of companies are realising that branded customer service is a critical part of the brand equation.

The only way to engage front-line staff in the brand is through corporate culture.

Employees need to be motivated and educated about their brand, but this can only be done when marketing and human resources executives work together.

Power to the People

What the cleverest companies do to maintain a great sales force:

Education and training: The best front-line sales people are always equipped with a thorough knowledge not only of the product they are selling but the overall brand values their company stands for. That means ensuring that staff are taught what makes their brand different and better than the competition, and why staff are important in the brand's relationship with the customer. Education and training must be a continuing, face-to-face process, and must not be a matter of handing staff a set of guidelines and hoping for the best.

Motivation: Good sales people are motivated sales people, but motivation is not about hanging a few slogans on the wall and hoping staff will respond. Motivation needs to be pro-active and can come in many forms. The best companies use a combination of techniques such as regular staff forums for communication with senior management; incentives such as trips away to company conferences; allowing staff to make their own decisions; workplace flexibility; providing a genuine career path; rewarding great service; and fostering company loyalty through, for example, employee share schemes and profit sharing.

Leadership: Weak leadership is a recipe for a sales force disaster. Leadership has to come from the top down, and that means the chief executive and the board. CEOs who do not focus on the human side of their company's sales operations cannot hope to inspire their people to become real brand ambassadors. The most effective sales forces are organised into teams, and recruiting highly skilled and motivated team leaders who are also great communicators is essential.

Outsourcing with finesse

Educating, motivating and communicating with front-line employees are the most important elements in ensuring that staff deliver to customers on promises made about a brand.

However, many companies are outsourcing much of their front-line sales function because it is often cheaper, but this can lead to problems in maintaining a brand's values. Outsourced staff are less likely to have an interest in upholding a company's brand values. The potential to damage the brand through bad customer experiences is only too real. This is particularly the case among outsourced call centre employees and sales representatives working in the field.

The managing partner of front-line staff consulting and coaching firm AdComm Worldgroup, Karl Treacher, says: "Contract sales and call centre teams will very rarely embrace and demonstrate brand values ... it can be done through effective mentoring, coaching and a promoted peer support environment. However, these systems are rarely identified as important."

Only outsourcing specialists with a record of effective people management should be relied on, according to Treacher. "If you are looking to outsource any people component of your organisation, do so with the expectation that you will fail over the long term if you haven't also factored into the equation elite people-management skills."

The joint managing director of the field sales force outsourcing company The Marketing Department, Kevin Moore, says the cost to a company of an outsourced sales team can be as much as 30% lower than an in-house model, but the saving will count for nothing unless the team is educated, motivated and disciplined in the brand values of the company. This usually means allowing them to work on only one brand.

Microsoft Australia and Columbia TriStar Films outsource their entire field sales teams to The Marketing Department, with teams dedicated to one brand. Considerable weight is given to education and training.

Moore says: "We have 200 dedicated consultants, all of whom get full merchandising training, and when they go on a visit, they will ... know everything there is to know about their product."

He says the internet is an important motivational tool for field sales teams because it provides a sense of community. "The only way you keep that many people disciplined, managed and motivated is through technology. Every one of our people reports, is paid, even captures digital photos online. We have just under 90 people working on the Columbia TriStar team. Everyone has their own e-mail address, can see each other's work, can see how well their promotional displays are working. The team building is phenomenal."