

Canadian Marketing Association

Internal Branding Benchmarking Study - 2010

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The Canadian Marketing Association (CMA), led by its Branding & Strategic Planning Council, has conducted two studies about organizations' internal branding initiatives; first in 2006 to establish a benchmark of internal branding engagement and practices, and in the spring, 2010, to evaluate progress. An objective of these studies is to understand the kinds of internal branding activities organizations have adopted and the value of these practices to the organization, its employees and customers.

The 2006 study involved 475 respondents who were associated with the internal brand and/or marketing; 89 per cent were at the manager level or higher.

The 2010 study presented the same questions as in 2006, to a similar target market, however response rates were significantly lower, at 196 respondents; 87 per cent at the manager level or higher.

For each study, the respondents were divided into three groups: those who, themselves, were involved directly in one way or another in internal branding initiatives; those whose companies had internal branding activity and yet they, themselves, were not directly involved; and finally, those whose companies had no internal branding activity, as far as they were aware.

Summary

This report draws comparisons between the 2006 and 2010 survey responses, with a focus on those directly involved with internal branding initiatives.

Our conclusions, albeit qualitative, are that the findings in 2010 are overall similar to those in 2006. They are summarized below.

Greater organization involvement

- Less than three quarters of the front line employees were the focus of internal branding initiatives in 2006; this has increased to over 90 per cent.
- Similarly, 63 per cent of new hires were exposed to internal branding in 2006, now 75 per cent are.
- There has been a shift in involving more of the finance, IT, head office functions and executives in the development of internal branding initiatives.

Deeper employee understanding and buy-in

- Employees generally have perceived a significant increase in the importance of internal branding.
- Exposure is still mostly achieved by staff meetings (80%) and the intranet (73%) – however, there appears to be a greater adoption of video as a communication channel - a good strategy to increase the reach of key messaging.

Budgets are still limited

- 50 per cent of respondents in both 2006 and 2010 indicate spending less than 10 per cent of marketing budget on internal branding initiatives and measuring internal branding effectiveness remains challenging.

Key challenges

- Key challenges to internal branding are related to getting a consistent message out to everyone (having it understood uniformly), alignment and buy-in across the organization and dedicated resources.

With respect to the value of internal branding activity to the organization, its employees and customers – there are several areas for further evaluation, namely:

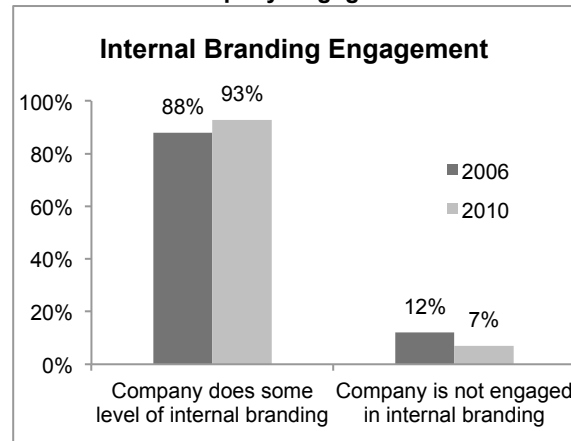
There is still a big differential between those working in a company that would like to see the management “walking the talk” and those who actually do have management that “walk the talk”.

More work needs to be done so that employees can believe in their company’s brand values.

A low proportion of employees think their company’s brand values provide guidance as to how to treat other employees - this suggests that brand values do not necessarily address human interrelationships in a meaningful way.

Study Comparisons: 2006 - 2010

Q. Does Your Company Engage in Internal Branding?



Source: CMA Internal Branding Study, 2006 & 2010

Total respondents: 2006 study: n=475; 2010 study: n=196

The marketing department continues to play an active role in developing internal branding strategies – 81 per cent of respondents in the 2010 study reported its involvement. 64 per cent of respondents reported involvement from the executive team - a trend to watch out for is whether the executive team remains engaged, which is a critical factor in any internal branding initiative’s success. HR is also recognized for its internal branding development by 47 per cent of respondents.

Q. What Areas within Your Organization are Responsible for Developing Internal Branding Strategies? (Check all that apply.)

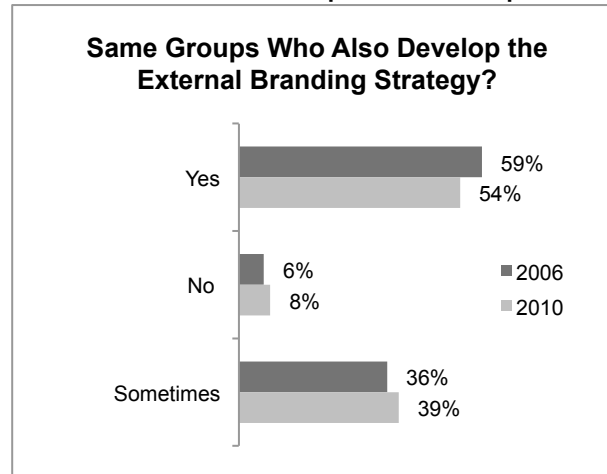


Source: CMA Internal Branding Study, 2006 & 2010

Those personally involved in internal branding: 2006 study: n=284; 2010 study: n=134

54 per cent of respondents in the 2010 study reported that the same people (areas within the company) develop both the internal and external branding activities; this compares similarly to 59 per cent in 2006.

Q. Are These the Same People Who Develop the External Branding Strategy?

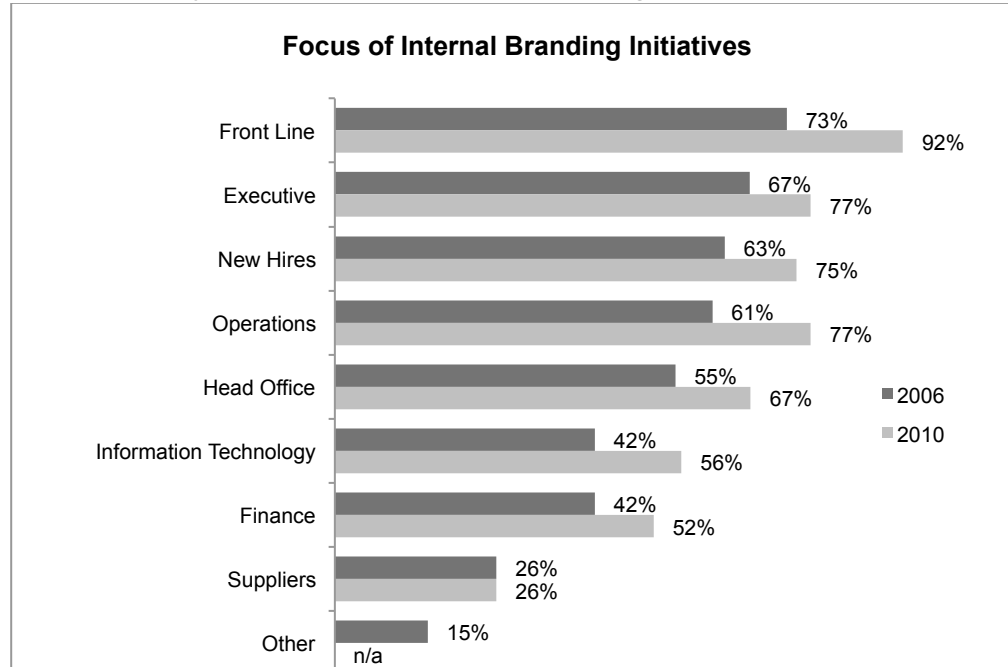


Source: CMA Internal Branding Study, 2006 & 2010

Those personally involved in internal branding: 2006 study: n=284; 2010 study: n=134

2010 data indicates that there is more attention being paid overall to internal branding across the organization than in 2006. In particular, 92 per cent of respondents reported initiatives are directed to front line employees, vs. 73 per cent in 2006. This is very good news should this trend continue, given the importance of employee understanding of engagement and the impact of front-line employees on the customer experience.

Q. Which Employees Are the Focus of Internal Branding Initiatives? (Check all that apply.)



Source: CMA Internal Branding Study, 2006 & 2010

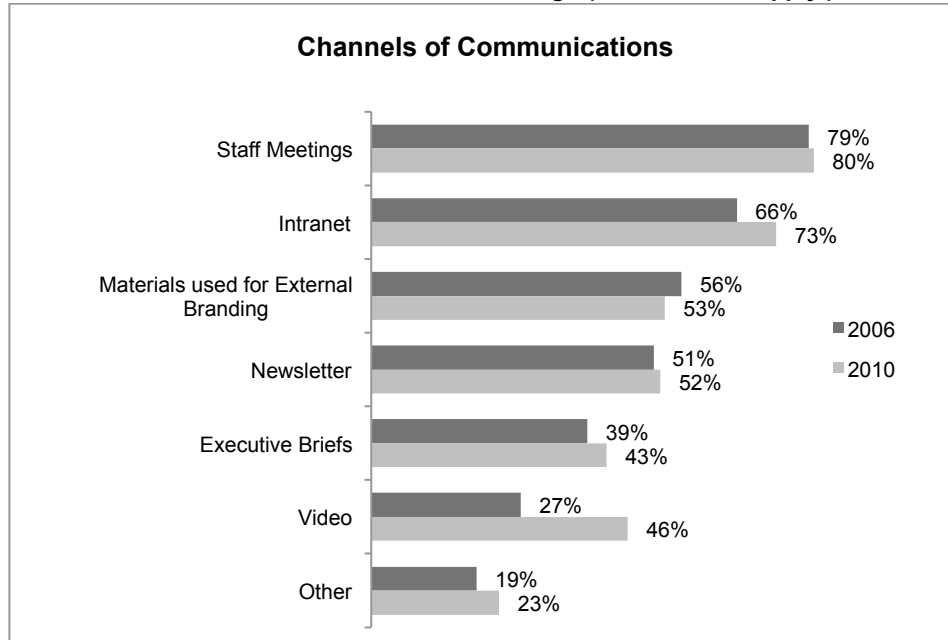
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80 per cent of respondents in 2010 and 79 per cent in 2006 indicate that staff meetings are the most regular channel to hear and learn about internal branding, with the Intranet appearing to be a growing channel of communication (73% in 2010 vs. 66% in 2006).

Use of video as a communication channel has gained popularity since 2006 – with 46 per cent of respondents reporting its use in 2010 vs. 27 per cent in 2006.

Use of video for internal branding messaging makes a lot of sense, and is likely an area of opportunity that both the marketing and human resources departments might consider as a key channel to reach broad audiences across the organization.

Q. What Media Do You Use for Internal Branding? (Check all that apply.)

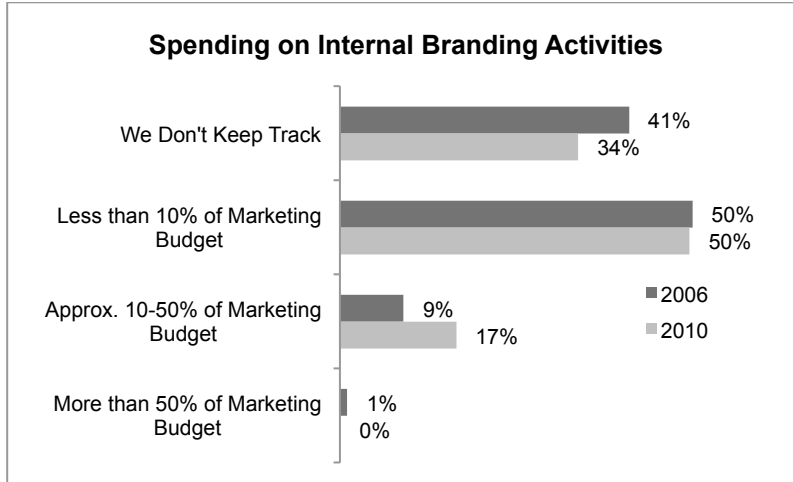


Source: CMA Internal Branding Study, 2006 & 2010

Those personally involved in internal branding: 2006 study: n=284; 2010 study: n=134

Budget for internal branding appears to remain fairly consistent since last studied in 2006 - with half of respondents indicating spend at less than 10 per cent of marketing budget. 17 per cent of respondents reported their company spends about 10-50% of marketing budget on internal branding, almost double the number of respondents reporting this amount of spend in 2006, however, with a limited sample size in 2010, this may or may not point to any shift.

Q. How Much Do You Think Your Company Spends on Internal Branding Initiatives?



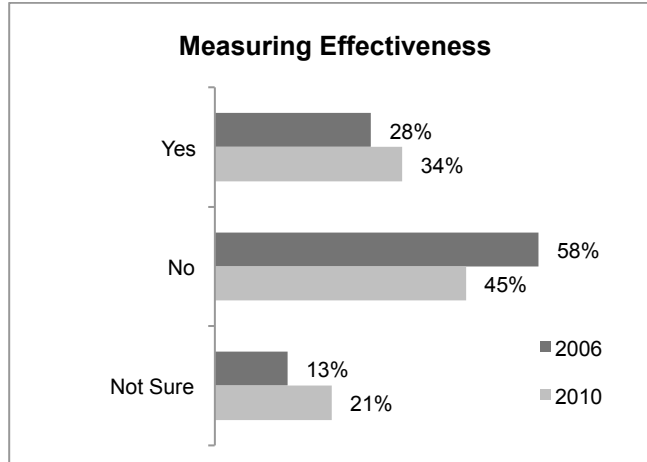
Source: CMA Internal Branding Study, 2006 & 2010

Those personally involved in internal branding: 2006 study: n=284; 2010 study: n=134

34 per cent of respondents in 2010 reported their company is measuring internal branding effectiveness compared to 28 per cent of respondents indicating as such in 2006. But as the chart above illustrates, 34 per cent of respondents indicate they do not keep track of spending, and without accounting for spend, the measurement of effectiveness is limited.

Of those that reported their companies measure internal branding effectiveness (n=45), measuring employee's understanding of brand values or brand attributes was ranked first, followed by employee satisfaction and then the employee 'living' or 'practising' the brand – the same top three measures reported in 2006 by most respondents. These three measures are often part of employee engagement metrics with 'company' values being used interchangeably with 'brand' values.

Q. Do You Measure the Effectiveness of Internal Branding Initiatives?



Source: CMA Internal Branding Study, 2006 & 2010

Those personally involved in internal branding: 2006 study: n=284; 2010 study: n=134