Looking for a sure way to grow your business in an increasingly competitive marketplace? Make sure that your customers have a positive experience at every touch point with your organization.

That may be easier said than done, but an internal marketing strategy can make it happen, according to Bill Lowell, Founder and President of Business Development Directives (BDD), a nationally recognized research-driven marketing firm based in the Milwaukee area.

“There’s good reason to engage such a strategy,” Lowell said, pointing to an in-depth study his firm did on the breadth and impact of internal marketing. The study revealed solid evidence that companies with strong internal marketing programs experience, on-average, higher growth rates and better profitability than companies where employees are not on board with the company brand.

According to Lowell, “Internal Marketing simply means preparing your employees to handle every interaction a customer might have with your company. It is also the process of building ‘relationship capital’ through effective communication with employees. Relationship capital is created when everyone is focused on providing a positive brand image and delivering that brand promise to each and every customer.”

Promoters …

Lowell says a good Internal Marketing strategy is essential to an organization’s growth and survival. The formula is actually very simple: If employees are well-trained and highly motivated they will be your brand champions and do a better job of serving your customers. A customer who has a positive experience is more likely to come back for more. In a recent survey, nearly half of all organizations (41%) say employee knowledge and attitude are key indicators of repeat business. In addition, satisfied customers will tell others about you. In the lexicon of marketing, these people are described as “promoters” and they can be your
most effective sales force. They are also your surest path to greater profitability since statistics show that it costs seven times as much to attract a new customer as it does to keep an existing one.

**And Detractors**
On the other hand, a customer who has a bad experience will likely drag your organization’s reputation through the muck. These people are called “detractors” and they have an almost supernatural power to destroy your company’s reputation.

**Facts ‘n Figures**
A landmark study conducted by Northwestern University proved a direct link between employee satisfaction and a company’s bottom line, concluding that highly motivated employees drive sales. Want more proof? A Harvard University study showed that 70 percent of a customer’s brand perception is determined by experiences with the organization’s employees. Another study found that companies with highly engaged employees have a 112 percent three-year return to shareholders versus a 76 percent return for companies with low employee commitment.

**Lower Turnover**
In addition, good Internal Marketing means lower employee turnover. And new employees cannot be expected to provide the same high level of service as someone who has been on the job for some time. So with high turnover, you pay double and run the risk of alienating your best customers. When you do have to recruit new employees, a good Internal Marketing program will increase your chances of attracting the best and brightest.

**Internal and External Messages Must Be In-Sync**
But Internal Marketing is just half the marketing equation. Lowell said HR departments are essential in ensuring that employees understand and convey the corporate brand promise, and that the Internal Messaging is in-sync with external marketing efforts.
“HR professionals can play a critical role in helping their organizations grow through Internal Marketing,” he said. “At the same time, an Internal Marketing program can raise the credibility and profile of an HR department.”

**Your People Are Your Competitive Advantage**

The whole idea behind Internal Marketing is that your employees can make or break your business. According to Lowell, “People are really what makes any company unique. Competitors can replicate product or services offerings, but what they can’t replicate are the people who comprise an organization’s personality and culture. That is where the real competitive advantage lies, and that is why employees need to be brought on board with a well-executed, internal branding program.”

Such a program covers all the touch points that customers and prospects have with a business. Touch points include recruiting efforts, advertising, public relations, staff attitude, the appearance of your lobby / reception area and your building, how someone answers the phone, e-mail correspondence, the sales team, employee orientation programs, company vehicles, customer service representatives and invoices.

“Make sure your employees know what your organization stands for and promises, so they can deliver that promise to the customer,” Lowell said. “Through comprehensive strategic planning and strong communication, all employees should be aware of the measurable results they are expected to produce as individuals and how their successes contribute to the overall goals of their respective departments and the organization as a whole.”

**Missed Opportunities**

Unfortunately, Lowell says, too many organizations continue to overlook the importance of Internal Marketing. BDD research, which involved more than 200 Human Resources executives across the nation, found that the majority (66%) have neither an internal brand nor Internal Marketing initiative. Part of the problem is that no one has yet claimed ownership for Internal Marketing – in many companies there are unresolved territorial issues between the Marketing and HR departments, with potentially devastating consequences for the entire organization.
“This lack of an internal branding initiative can undercut otherwise successful hiring strategies and can thwart business growth initiatives,” Lowell said. “Take the time to start an initiative inside your company; it will pay huge rewards.”

Remember, the most successful companies pay as much attention to Internal Marketing as to External Marketing. The future of your organization might depend on it.

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*Business Development Directives is a national, research-driven marketing consulting firm specializing in one-of-a-kind research assignments to help bring world-class business leaders to the next level. Founded in 1990, the company specializes in both internal and external marketing ventures and has expertise working with clients in health care, manufacturing, higher education, professional services and associations.*

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