

5 Reasons Why Corporate Brand Isn't Everything, It's the Only Thing.

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Much has changed since the sponsorship of Masterpiece Theater by Mobil was considered corporate brand execution. Authenticity and values are now well-established elements of corporate brand but even that is just the beginning. Values are essential to defining who you are as a company. And while stakeholders are looking *at* values, they are looking *for* brand connection. Values must be *activated* to create brand connection, especially if you are consumer-facing. Companies must live by the values they set out. Especially today when company values are posted on the company website for all to see and a social media crisis can be just a few tweets away at any time.

In a world where people are seeking purpose, where everyone wants to make a cathedral, not merely cut stone, customers and employees expect more. Armed with iPhone video, Facebook, Twitter, and Instagram, they are going to get it! The journey of creating and *living* this narrative against an ever-changing backdrop is corporate branding today.

1) The Corporate Contract Has Changed

The contract between companies and stakeholders, particularly the critical core triad of investors, employees, and customers has changed.

Companies are being asked to do more. As BlackRock's Larry

Fink pointed out in his 2018 Letter to CEOs, *“We also see many governments failing to prepare for the future, on issues ranging from retirement and infrastructure to automation and worker retraining. As a result, society increasingly is turning to the private sector and asking that companies respond to broader societal challenges. Indeed, the public expectations of your company have never been greater. Society is demanding that companies, both public and private, serve a social purpose...Companies must benefit all of their stakeholders, including shareholders, employees, customers, and the communities in which they operate.”*[1]

“Doing more” for employees, customers, the environment, society, the global community, requires prioritizing corporate commitments outside of selling a product while tying these commitments to the business in a sensible way. Hence the rise in Corporate Social Responsibility, Environmental Sustainability & Governance, and Diversity & Inclusion. All of these initiatives are embedded in values. Corporate values clarify what are you committed to, why, and how are you going to go about it. A well-crafted corporate brand leverages those values, becoming a critical differentiator.

Other large asset managers like Vanguard and State Street also recognize the need for companies to change their assumptions about how they do business. When BlackRock, Vanguard, and State Street, representing a combined total of over \$13 trillion in assets under management, are pushing companies to rethink how they engage, that changes everything.

2) Millennials Require It

While still only 35% of the US workforce, Millennials are now 70 million strong and their influence continues to grow. It's not always a good idea to generalize about that many people but – Millennials want to be proud of where they work. Everyone wants to be proud of where they work but for many

Millennials, feeling aligned with the values of their employer is table stakes. As customers, they make purchase decisions based on “*buy-cotting*” and supporting the brands they like based on *values*. Tom’s Shoes comes to mind. As investors, they want to invest in values and societal impact. And they choose employers based on *values*. If they don’t feel resonance within a few years, they are going to move on.

In addition to being digital natives living in a e-world that iterates to their needs and wants, Millennials have come into a real world without pensions or job security. There is little personal benefit to sticking around after bonus time, unless they want to. They saw their parents get laid off during their prime working years. They saw the Great Recession wreak havoc. They reinvented the gig economy. With mythic entrepreneurial options always looming and the rise of personalized expectations around their interactions with companies and products, they believe they have no time to waste working in or buying from a place that doesn’t make them happy every day.

3) What Plays in Vegas Does Not Stay in Vegas Anymore

The barriers between what goes on inside a company and public access to that information are lower than ever. Having a coherent, contemporary narrative about your company for employees *and* customers, investors, media, and other stakeholders is a must. The inside-out nature of crafting this narrative will ensure internal alignment– which is also a must today, particularly when the membrane between what is internal and external is now highly permeable because of technology, social media, and general expectations. The “*incident*” that happened on the work floor of that remote factory outpost you inherited in the last acquisition can be on social media and go viral within a day.

Increased expectations of company behavior and adherence to company values juxtaposed against dissolving barriers between internal and external communications make a clear understanding of the corporate brand critical. As consumer and employee expectations increase and barriers between internal and external communications and information drop, companies need to have a clear understanding of their corporate brands. A corporate brand is a promise to customers as well as a clear, defined set of values for employees to live by.

4) Values Help When Things Go Wrong

Consumer-facing businesses are on the hot seat today like never before. Not a day goes by without some kind of social media or other crisis. For companies with many touch points across the country or the world, the risk of incident is high when thousands of employees are interfacing with customers and the general public around the clock.

Case in point: The incident at the Portland, Oregon DoubleTree by Hilton between a security guard, a manager, and a hotel guest talking on his cell phone in the lobby. The security guard and manager were white. The guest was black. He recorded a portion of the incident on his cell phone.

The security guard and manager called the police, for no clearly-articulated reason. When the guest told the hotel security guard that he was staying at the hotel, the security guard replied, on video for all to see, *"Not anymore."* The security guard, manager, and police then forced the guest to remove his personal items from his hotel room and leave the hotel.

According to news reports, this gentleman then checked into a nearby Sheraton hotel. The security guard and manager at DoubleTree by Hilton were fired seven days after this incident was picked up on social media, and within 48 hours of it

hitting the press. The hotel issued the statement that, *"Their actions were inconsistent with our standards and values. We reiterate our sincere apology for what he endured and will work with diversity experts to ensure this never happens again."*

The fact is, the incident never should have happened. But things like this can—and do—happen every day to major global companies.

According to the DoubleTree newsroom, *"Every hotel brand claims to care about guests, so we know that it's in our actions that we have to stand apart. Real. Attentive. Cheerful. Flexible. Thoughtful. Honest. Caring."*

"[Our] core mission is to find ways to make each day more rewarding for every person who encounters and experiences a DoubleTree by Hilton hotel."

The good news for the DoubleTree is that their corporate values were clear. The bad news is seven days is too long to respond but it could have been worse. Circling back to current, clearly expressed values allows the company to focus on handling crisis within a pre-defined context. When you know what you stand for and you are committed to it, you don't have to spend precious time creating, re-creating, reexamining, or questioning your approach to your corporate reputation. You already know what you promised. The right values make it easier to focus on resolving a potential crisis quickly and in the right way.

The question remains as to whether DoubleTree has done enough. In the case of the Starbucks incident in Philadelphia in which a white manager called the police and had two black customers removed from the store, for no clear reason, the company closed stores across the country for diversity training. In addition, the CEO met with the two customers to personally apologize and made it clear that this manager's behavior was

in no way aligned with Starbuck's corporate values.

In contrast, Papa John's continues to enable a toxic culture of its own making due to its unwillingness to grapple with diversity issues that include racism and sexual harassment. Antiquated corporate values like focus, superiority, and constant improvement are minimum requirements to do business today and woefully miss the mark (<https://www.papajohns.com/company/>). They also demonstrate a lack of aspiration and humanity which is essential to corporate brand now.

5) *Activating Corporate Brand Values is Essential to Differentiation and Brand Preference.*

Today, competition for employees and customers (sometimes the same people) is intense. In the current environment, corporate brand is a critical element of brand preference. Differentiation is more important than ever and vital in preventing commoditization. And in my opinion, differentiation must be emotional, and must resonate. To quote Carl W. Buehner, *"They may forget what you said – but they will never forget how you made them feel."*^[2]

In a world where people are looking for mission and purpose, the notion of *"personal benefits"* associated with corporate brand has emerged. According to the Corporate Executive Board, a division of Gartner research [CEB], *"personal benefits"* are the biggest drivers of brand connection. *"Personal benefits"* drive three times more brand connection than authentic values do.^[3] Today, corporate values are the foundation of personal benefits, not the final destination.

Brand preference is based on perceived “*personal benefits*.” They are all about self-actualization and include “*sense of meaning and direction in one’s life; certainty about one’s life and surroundings, and freedom to control one’s life*”. [4] Interestingly, these benefits look very similar to what employees expected from companies prior to layoffs and lack of pensions became a routine way of doing business. But now, the expectation of “*personal benefits*” is held by employees and customers alike as the barrier between internal and external communications and expectations continues to breakdown.

What Is the Payoff for Getting It Right?

Getting corporate branding right is worth the effort and yields tangible results.

According to the CEB, creating and executing against a compelling corporate brand promise translates into a willingness by 55% of recruits to switch employers for a flat salary. If the corporate brand resonates, 64% of customers are willing to pay a premium for a product or service. If the corporate brand can move people from values like “*the brand respects my community’s local values and traditions*” to personal benefits like “*the brand helps me achieve my goals,*” 74% of community members and activists are likely to make decisions that are supportive of the company. In addition, 40% of social media users are willing to promote the company if they feel a connection.^[5]

Summing It Up...

Nowadays, customer preference, employee engagement, and shareholder value is all about corporate brand. Mission, purpose, values, authenticity and trust are the new corporate

brand guidelines. If you get it right, you can mitigate risk associated with prolonged crises and create the virtuous circle of happy customers, dedicated employees, and investor confidence that enhances enterprise value.

What do you think?

If this article resonated with you, please feel free to connect with me directly and also comment or share.



About the Author: Linda Dunbar is a global PR and corporate communications strategist, business enthusiast, and lifelong learner. A story telling architect who provides strategic counsel across functions and levels, she has extensive progressive leadership experience in PR, media relations, corporate communications, and international strategic planning at dynamic, top-tier, global Fortune 500 companies. Her passion is helping companies tell their stories. Linda has previously held communications leadership roles at organizations including Sterling Bancorp., Dow Jones, Ford Motor Company, the American Institute of CPAs, and Philip Morris International as well as at entrepreneurial PR ventures. She has a Bachelor of Arts in East Asian Studies from Princeton University and a Master's in Law and Diplomacy from The Fletcher School, jointly administered by Harvard and Tufts Universities. Linda can be reached at linda@thepurposedrivencompany.com.

[1] Larry Fink, CEO, BlackRock 2018 Letter to CEOs – <https://www.blackrock.com/corporate/investor-relations/2018-larry-fink-ceo-letter>

[2] 1971, Richard Evans' Quote Book by Richard L. Evans, ("Selected from the 'Spoken Word' and 'Thought for the Day' and from many inspiring thought-provoking sources from many centuries") Quote Page 244, Column 2, Publishers Press, Salt Lake City, Utah. (Verified with scans; thanks to the librarians of Harold B. Lee Library, Brigham Young University, Provo, Utah)

[3] CEB Communications Leadership Council, Winning Preference Through the Corporate Brand, November 30, 2017

[4] Ibid

[5] CEB Communications Leadership Council, Winning Preference Through the Corporate Brand, November 30, 2017