RELEVANCE

of

INTERNAL BRANDING

A Second Thought

by

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ABSTRACT

The purpose of this study is to introduce the concept of internal branding, define it and discuss its relevance. The objective is (1) to put together the reasons why internal branding is indispensable and explain them systematically, (2) to introduce a critical perspective regarding the implementation process that internal branding entails, and (3) to check if the theory is reflected on to the empirics within this context. Following a deep literature survey about internal branding, branding and other related organizational and marketing issues; six supportive and critical points were put forward. Next, through a single case study on a service business, these twelve points were tested through detailed interviews with ten current and former employees of the case company to see if they empirically exist. All the supportive points were substantiated through this qualitative study, and the critical points were found valid but proactively dealt with by the case company in order to avoid them to hinder the internal branding process. The conclusion is that internal branding has high significance for the entire branding process; however, it is crucial to design and implement it *correctly* in order not to defeat its purpose and to ensure the support of the entire employee base.

"You tell customers what makes you great. Do your employees know?"
(Mitchell, 2002:99)   **ii**

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I. Introduction: Why Internal Branding?

Branding and brands are everywhere, and they are inevitable; each and every product or organization is branded somehow whether they say something or just exist in the marketplace because, good or bad, every little detail communicates something about the brand (Please refer to Appendix I to recap branding).

Today, with the realization of the fact that the strongest and the most prosperous brands are the ones that are supported by the *entire* organization, corporate brands have become much more accentuated, important and attractive than product brands both statistically and logically. Charles Handy, the leading expert of management thought of 90's and former professor at LBS, coined the term "the empty raincoat" which embody the obvious "emptiness" of many organizations:

> Emptiness in the sense that the firm appears as a cold, distant, unfeeling monolith, often unrelated either to its customers and consumers or to its employees, associates and other stakeholders. (Kitchen et al, 2004:349)

Strong product brands tend to have this exact effect on corporations making them "a detail, a non-entity" (p.356); however, it is gradually sinking in that brands have to move beyond that and become corporate brands to succeed in this incredibly competitive marketplace where "interactivity, dialog and personalization" are in power (p.349). Corporations must denote something reflecting the values and identity of their employees, products and stakeholders as a whole. Thus, a potent, coherent and stable corporate brand is required to retain and improve cash flow and shareholder value which is why Kitchen et al (2004:347) claim that corporate branding is "the most likely scenario for most multi-national organizations in the 21st century." And obviously, corporate branding requires substantial focus *within* (internal to) the organization with the roles of employees changing from just a "category under the firm" to "brand ambassadors" (Harris et al, 2001:443).

To a great extent, the branding literature has taken an external standpoint concentrating on "strategies and tactics that firms should take to build or manage equity with customer" (Keller, 1999:43); however, internal positioning of the brand -meaning positioning the brand in the *employees'* minds, and explaining and communicating external branding efforts to them- is equally important (Keller, 1999). Branding should not be perceived barely as a marketing competency; brands that are built as an organizational competency, where each division of the organization does its part in branding and positioning efforts, add much more value to both the products entailed and the company itself (Willard, 2004). Brand experiences are the engine that steer consumer attention and, eventually, customer loyalty, and in order to make those brand experiences effective, consistent and right-to-the-point; the *entire* employee base should be informed, highly-trained and motivated marketers because *people* are more accountable than any other branding and/or marketing tool that will be used. As Didriksen (2003) puts it "as with most things, it comes down to people." A company should not address its branding efforts solely to outsiders; corporate brands should provide value to their employees along with their customers. Any message delivered by someone who is working for a corporate brand, regardless of division, is of utmost significance, and this is why internal branding, which is an utterly understated issue in the branding literature, bears great importance.

Purpose
In this thesis, internal branding will be defined, and its relevance will be studied and questioned. The academic and empirical research about internal branding is quite limited so far, and the existent research is only *pro* internal branding. The **purpose** of this study is (1) to put together the reasons why internal branding is indispensable under six captions in a systematic fashion, (2) to introduce a second thought and a critical perspective to the concept of internal branding and its practice, again in a systematic fashion, and (3) to check how

congruent the theory and the practice are in this matter regarding a certain case of a service business. Consequently, this purpose generates these three research questions:

Research Questions **for** **Relevance of Internal Branding**
1. How relevant may internal branding be for the entire branding process and corporate success?
2. How vulnerable may internal branding be to misinterpretation and misapplication?
3. Do theory and empirics concur regarding the relevance of internal branding in this case?

Table 1.1 Research Questions

Shortly, the aim of this study is mainly to find out if internal branding is as prominent, as it is claimed to be by various researchers and authors, no matter how it is practiced.

Intended Contribution
There are several levels to the intended contribution of this thesis. First of all, the uniqueness of this thesis with regard to internal branding literature is its introducing a *critical* perspective to the issue; hitherto, internal branding has been cited *only* with an affirmative approach, and its debatable features, its probable 'black holes' so to speak, potential problems regarding its implementation and how it can fail had never been discussed. Thus, in this paper, questions that have never been asked will be asked, and internal branding will be studied with a critical point of view besides a praising one which seems to be the common standpoint of authors who have written about internal branding.

Secondly, the importance of this study stems from its combinative nature of organizational (internal) and marketing (external) studies. According to Hatch and Schultz (1997), the concept of organizational culture rarely comes up in the marketing literature about corporate identity and image, and likewise, the organizational literature on image has an exclusive focus on internal features. The authors claim that one of the major challenges that companies have to confront today is the "breakdown of the boundary between their internal and external aspects" (p.356) due to the potent connection between insiders and outsiders:

> (Earlier) top executives, marketing, purchasing, PR and strategic planning departments handled external relations, while internal issues were attended to by middle and lower level managers and HRM, engineering, production and accounting departments. However, networking, business process re-engineering, flexible manufacturing, the new focus on customer service, and so on, redefine what were previously considered matters of external relations as part of the daily activities of nearly all organizational members. (Hatch et al, 1997:357)

Thus, the fact that internal and external operations have integrated in the contemporary business world necessitates combination of knowledge, information and practice of organizational and marketing studies. Hence, this study is built on the conjoined and integrated basis of *organizational studies* focused on internal context (internal resources) and *corporate branding and corporate identity issues* focused on external relationships of organizations.

Thirdly, internal branding is an understated and understudied branch of branding about which there is very limited research as to what it encompasses, how it helps and hurts the brand and how it is practiced (Keller, 1999; Schultz, 2003a; Dinnie, 2003; Bergstrom et al 2002; Vallaster, 2004); specifically, there is not a single source that analyzed internal branding methodically, systematically *and* critically as this thesis intends to do (please refer to Table 4.1). Previous research about internal branding is more about the opinions and observations of authors; however, this study is aiming to introduce internal branding as an

"You tell customers what makes you great. Do your employees know?"
(Mitchell, 2002:99)　　　　　　　　　　　　　　　　　　　　　　　　　　**2**

eminent fraction of the entire branding process and literature in a more scientific manner. Lastly, this paper is the first to issue internal branding within the context of a hospitality business to which branding is utterly essential.

For all of the above-mentioned reasons, this thesis is set to be a unique and humble contribution to the internal branding literature.

Delimitations
As the literature about internal branding is quite limited so far, in order to establish a sound academic basis, other related subject matters were also studied such as brand management, corporate branding, brand equity, brand commitment, organizational identity, corporate image, culture-identity-image correlation, corporate communications, marketing communications, symbolic management, learning organization and value. It is possible to issue other subjects with varied levels of relevance to the concept of internal branding; however, within the scope of this study and due to space limitations, only the above-mentioned ones were scrutinized.

Secondly, this case company, The Ritz-Carlton Hotel Istanbul, is a luxury-class hospitality business selected for this study due to frequent referrals to it by researchers studying internal branding (Bergstrom, 2002; Brooke, 2002; Burmann et al, 2005; Cai et al, 2007; Dube et al; Lampton, 2003; Papasolomou, 2006; Seckin, 2003; Washington et al, 2007; Yeung, 2006; 1997). Hence, the managerial implications and conclusions derived from this study may not be strictly applicable to all corporate brands and may only be considered as general guidelines aimed to offer an understanding for internal branding. Finally, regarding the practices of the case company, although the process of internal branding is explained to a certain degree, the main focus is on the analysis of the *consequences* of the process in line with the initially-formulated theoretical basis.

II. What is Internal Branding?
Before studying the relevance of internal branding, first, it should be defined and explained. When developing a corporate brand, it is best to blend and integrate branding efforts; that is bringing together external and internal brand management. *External brand management* is about figuring out the needs and wants of consumers in order to design marketing and branding programs that would meet their expectations, and it necessitates creating rapport with <u>consumers</u> -which would surpass a monetary exchange- through conversing with and listening to them in order to learn about their likes, dislikes, wants, needs, lifestyles, etc. Basically, it is about getting to know the consumer base that is being addressed to and creating awareness and an affirmative stance towards the brand. On the other hand, *internal brand management* encompasses conduct striving for (1) <u>employees</u>' appreciation, knowledge and understanding of basic branding concepts, (2) informing how they can relate to and help/damage the brand equity that they are serving for and (3) making sure that external brand management policies are fulfilled (Keller, 2001). In a way, internal brand management is internal brand positioning –"creating the optimal location in the minds of existing and potential employees so that they think of the brand in the 'right way'" (Keller, 1999:44). As summarized in Table 2.1, external and internal branding differ in three different aspects; perspective, recipients and communication channels. External brand management seeks a managerial perspective, addressing top managers and marketing people about what should and will be the course of action, and the recipient of these deeds -which are communicated through various media channels- are external stakeholders, audiences and/or consumers. On the other hand, internal brand management has more of an organizational perspective where it is dispatched to organizational members from all levels and divisions, who are the recipients in this case, and communication is rendered through interpersonal and/or inter-organizational channels (Hatch et al, 2000).

 "You tell customers what makes you great. Do your employees know?"
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Aspects/Types of Branding	External brand management	Internal brand management
Perspective →	Managerial; top managers, marketing people	Organizational; all members of the organization
Recipients →	External stakeholders, audiences and/or consumers	Organization members or internal stakeholders
Communication channels →	Media	Interpersonal and/or inter-organizational channels

Table 2.1 Differences between external and internal brand management

It is true that brand identity is addressed to its users and prospects in order to win the battle over similar brands and ultimately achieve high profits; however, brands are "born among the people of their parent company" (Upshaw, 1995:49). Brands are created by and hopefully sustained with incessant and eager support from each and every employee working for that company. Employees are brand ambassadors in the sense that every time they communicate with outsiders and with each other, whether it is at a mall, a party or a company event and no matter how casual, formal, spoken or behavioral the conversation is, they put across something about the brand. Thus, it is crucial to get going a favorable internal brand environment so as to ensure that each and every employee supports the brand with their attitude and actions in and out of the organization (Upshaw, 1995).

Obviously, getting employees to support the external branding efforts is not as easy and straightforward as it is said, and according to Schultz (2003a), lately, there is a huge discussion going on about *how* to make them do it. Many organizations call it "living the brand," but they do not necessarily attach the same meaning to it; some refer to it as employees' merely being informed about and able to explicate a promotion to outsiders in order to encourage them to buy/use the brand, some refer to it as the aptitude to verbalize the company motto, and some refer to it as employees' buying/using the brand (Schultz, 2003a) which is not simple but necessary to do since an employee's not using the brand that s/he is working for might be a question mark for everything the brand offers and promises to consumers. Moreover, according to Fram et al's (2004) study, the majority of the employees who do not buy their brand have lower opinion about their company and brand, and they do not recommend it on, which is an indication of their lack of pride and faith in the brand in means of quality, value, prestige and reliability. In this sense, simply put, internal branding is what is needed to get employees to pass on the brand promise; it is internally creating a brand support system which is like a family the members of which believe that they are a part of something solid and permanent. In Speak's (2003) terms, adding a new dimension to brand management, internal branding is establishing brand loyalty <u>inside</u> the organization. Upshaw (1995) gives an example of FedEx employees who might not necessarily be able to pronounce the external brand positioning per se but obviously know that they are working for a "winner" brand which did not happen by accident and take pride in it. Employees who take on this sense of confidence and success will evidently have a great contribution to the prosperity of the respective brand. This is possible by the marketing team's figuring out how close employees feel about their brand and what more could be done to make them an important part of the marketing, obviously, with the help of human resources department as being 'employee/human experts'; as a matter of fact, Speak (2003:1) mentions that today management gurus are calling the human resources executive as the "chief inside marketing officer" or "inside brand manager."

On the other hand, Hatch et al (2000) have a different suggestion to keep up this support; they suggest that the company view of brand equity should be verbalized into "brand equity charters" that state the general philosophy of the organization regarding brand equity and put out guidelines about brand tactics and strategies. These reports will be distributed to all

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managers as to inform them about what is happening with the brand and why, and in line with proper internal branding, these managers will be held responsible for watching over the implementation of these charters by the employees in their departments and how these employees are reflecting the brand to outsiders. In this way, they will make sure that the external branding efforts are utterly fulfilled which is one of the main functions of internal branding.

Importance of internal branding can also be justified by the concept of *added value*. It is usually assumed that customer value is created by marketing; however, it is more and more being engendered by business processes outside the margins of marketing. Moreover, marketing management has to be proactive enough to take the lead and inform the business process owners about the need for creating value not just through brands and products but *across* the organization which is actually a way of branding internally (Knox et al, 1999). It is imperative to be aware of the fact that in today's world of fierce competition with a huge number of choices, end users are increasingly seeking for positive value-added to distinguish between these choices, and the value-adding activities are usually not the ones materialized by brand managers but by, say, information systems, logistics, customer services, help desk, etc. (Doyle, 1995). Obviously, these departments should have a say in the externally-projected brand since they are a part of the brand experience; thus, they should be well informed about the brand so as to deliver the brand promise properly.

To summarize, internal branding (1) improves brand marketing skills, (2) works with all levels of management in an organization to help pinpoint a brand vision, (3) outlines an action plan about the brand regarding how each and every employee's job contributes to brand building, (4) undertakes value alignment controls to ensure consistency between the corporation's culture and values, the brand's values and the values of employees, (5) helps staff to interpret the brand values in their individual jobs and to develop and practice appropriate brand supporting behavior and (6) align internal and external communications to achieve consistency about the brand (DeChernatony, 2005; Brooke, 2002; Keller, 2001; Schultz, 2003a; Schultz, 2004a).

Internal branding is undoubtedly one of the hot business stories of our day; the importance of and the need for internal branding have been discovered by the organizations quite recently. Proven by significant research (Vallaster, 2004), the fact that -as well as being better brand ambassadors- the employees are evidently happier in an organization with keen internal communications is, on its own, adequate to highlight the importance and relevance of internal branding. Plus, internal branding is regarded more and more as a cost-efficient way to motivate employees on the way to optimize sales and performance, and brand gurus concur that it is imperative to make sure that employees exemplify the brand promise to the end customer. Still, we are going to further investigate and chronicle the reasons why internal branding seems to be essential and how its relevance is questioned regarding various aspects.

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(Mitchell, 2002:99)   **5**

III. Relevance of Internal Brand Management

In order to reach a healthy and valid conclusion about the relevance of internal branding, it should be studied through <u>both</u> negative and positive perspectives; first, a sound theoretical basis is needed in order to assess the case that will be analyzed later on. Thus, in order to assess the relevance of internal branding, it will be tackled under two captions; supportive and critical perspectives. It was previously mentioned that internal branding is truly understudied; therefore, in order to systematically and thoroughly discuss these two perspectives, secondary resources about other various related subject matters were also probed such as brand management, corporate branding, brand leadership, brand equity, brand commitment, organizational identity, corporate image, culture-identity-image correlation, corporate communications, marketing communications, corporate strategy, symbolic management, learning organization and value. Out of this research, depending on the works of different authors in these above-mentioned issues, it came out that these perspectives can be categorized as mainly six supportive and six critical points about internal branding which were classified and named by the author of this thesis. Thus, by further explicating these six supportive points, why internal branding is necessary will be acknowledged, and by expounding these six critical points, criticisms about and questionable aspects of internal branding will be introduced and addressed in detail in order to evoke a second thought about this issue. Below, the summary of two perspectives can be found as Table 3.1.

Supportive Perspective	Critical Perspective
1. Culture precedes image.	1. Corporate vanity
2. Inevitability of the human factor	2. Autocracy vs. democracy
3. Employees' need for guidance about the brand	3. Over-complication of the brand
4. Avoiding contradictory communications	4. Excessive repetition
5. Internal branding facilitates word of mouth.	5. Excessive pressure on employees
6. Internal branding's significance with regard to brand valuation	6. Excessive focus on appearance

Table 3.1 Discussion for Relevance of Internal Brand Management

Supportive Perspective

Authors who write about internal branding mention it favorably to a great extent although they do not necessarily base its importance on the same reasons. Thus, below listed, there are six major reasons as to indicate the relevance and necessity of internal branding. It is necessary to note here that these six reasons and their arguments are not essentially mutually exclusive; as a result, along with peculiarities, they bear similarities, too, and an argument for one reason might be valid for another reason as well.

S1. Culture precedes image.

Evidently, the most appealing and thriving way to build a brand is to conceive a personality for it, which sums up what the brand says and stands for. When deciding about this personality and identity, a common mistake is made, which is focusing on and deciding about the "graphic appeal" first. However, the brand personality should not be *merely* about a graphical issue; it should also concern the true substance of what the organization has *inherently*. The "outward formal appearance," meaning how the brand looks from an outsider point of view, should be the demonstration of the deep organizational identity. Formulizing brand values out of nowhere and trying to fit them into the organization would be, as Kapferer (2004) puts it, putting the cart before the horse. Organizational culture should be the basis for every brand-related activity, and brand and image should result from

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a decoding process of the culture within. This inside-out perspective is called *identity-based brand management*, and it has many advocates such as Burmann et al (2005), Urde (2003), Schultz et al (2003) and Kapferer (2004). Kapferer (2004) mentions that the way we see America in Coca-Cola or Boston in Ralph Lauren proves the fact that successful corporate brands are formed around their parenting culture.[*] That is to say, it is important to keep in mind that (1) the image is addressed to the <u>insiders</u> as well as the outsiders to an organization, and (2) it is "intentionally manipulable by insiders for the consumption of outsiders; it is not merely an attempt to infer outsiders' perceptions" (Hatch and Schultz, 1997:359).

With a similar line of thinking, Speak (2003) calls attention for the inescapable parallelism of organizational values -which he calls "working values"- and core values since the way employees treat and regard each other, the company and the brand (organizational/working values) will have a direct and unavoidable effect on how end-users will be treated (core values); as Speak (2003:3) puts it, "you can't fake it for very long; true feelings will find their way to the surface." This, actually, supports the view about how core values cannot and should not be created out of nowhere but be grounded in the organizational values since it is hard to keep up and make believe artificial core values.

Plus, to achieve a deeper sense of trust and commitment on the end-users' side, employees must *believe* in and be *capable* of executing the promise that they are delivering across, and in order to be able to do that, brand values should be deeply rooted in the organizational culture so that employees can relate to them easier (Schultz et al, 2000). Thus, one of the main objectives of internal branding should be making these two concepts -culture and image- in congruence with each other.[♣]

Similar to what has been discussed within the issue of identity-based brand management and in line with Abratt's (1989:68) definition to corporate identity being "a part of the deeper identity of the group, the outward sign of the inward commitment, serving to remind it of its real purpose," Hatch and Schultz (1997) argues that, today, organizations have to identify their corporate identity as a "bridge" between the organization's external stance with regard to its marketplace and other related parties and its internal context shaped by the organizational identity (Figure 3.1). Thus, culture is the basis and the origin for the vision and the image in order to pave the way to permanent brand success. In line with this, the authors state that a winning corporate branding process <u>must</u> entail the alignment of "strategic vision, organizational culture and stakeholder images" or "strategic stars" (Hatch et al, 2001:10), and this is where internal branding kicks in; employees as the organizational identity carriers bear great significance for the corporate brand –they are actually a *significant part* of it. To be able to establish a solid corporate brand, employees should be guided, informed, motivated and eager about it, and internal branding is the way to accomplish all these. (Please see Appendix II for further models about this issue.)

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[*] In line with this, a research done by Kotter et al (1993) verifies that companies with a strong culture base on shared values financially outperformed others by huge margins, and this implies that brand identity has to be formed around organizational identity; if there is a strong identity within, the brand that is reflected out will prosper just like the financial figures.

[♣] At this point, it is indispensable to briefly go into organizational issues. Hatch et al (2000) claim that very few authors have mentioned about corporate identity and organizational identity concurrently; corporate identity refers to "who you are, what you do, how you do it and where you want to go," whereas organizational identity projects how organizational members appreciate and comprehend "who we are" and/or "what we stand for." According to the authors, corporate identity is an issue of marketing, and organizational identity is studied within the field of organizational studies, and in this sense, it is possible to see the resemblance between corporate identity and image, and organizational identity and culture.
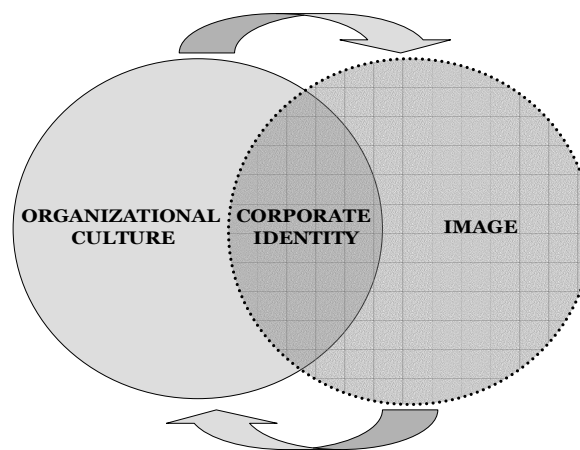
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Figure 3.1 Corporate Identity as the Intersection of Organizational Culture and Image

As Volvo's vice president for brand management very aptly puts it, "brand building should be an evolution, not a revolution" (Urde, 2003:1034). So, before projecting the brand onto the outsiders, it should be adopted by the insiders because a fabricated brand and image will never stick; it has to be deeply rooted in something existent, solid and permanent in order to be plausible and convincing. That is why even manufacturing firms such as DuPont and Phillips have started to focus on their employees as a provider of corporate image associations -which is comparatively a natural positioning strategy for service companies- since employees are a clear mirror for the organization that they are working for (Keller, 2003). Explicitly, as Kitchen et al (2004) call it, *brand dimensionality*, which is the relationship between the external image and internal identity, is a very important aspect of the entire branding concept which should never be neglected. Hence, external branding efforts should be preceded by internal branding efforts so as to make the brand solid and long-lasting.

S2. Inevitability of the Human Factor

Out of the four stakeholder groups that companies have[*], by and large, the functional group is the most visible one by directly influencing daily activities of an organization, and out of the functional group, employees -or "business processes owners" (Dowling, 2002)- bear the greatest significance by far to an organization in many ways. Relevantly, when employees have a poor opinion about their organization, it can demoralize them and result in meager performance; likewise, when they hold their organization in high regard, they are ready to promote it at every possible instance besides showing elevated effort at work. And evidently, all perceptions of employees mirror directly onto the outsiders' perceptions -whether they are acquaintances or customers- which means every single gesture or word that an employee puts out has an effect on how end users identify the brand. DeChernatony (2004) states that brands can and will become stronger not when they merely focus on end users but when they also capitalize on brand building skills of their *entire* employee base which means that the human resources manager plays an as important role for the brand as the brand manager, and the same is true for an accountant and a sales agent respectively. That is to say, employees mean a lot to a brand; they are the only segment of the brand experience that can actually *interact* with the end users, and since successful brands are built upon consistency, it

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[*] Normative (e.g. government), functional (e.g. employees, suppliers, distributors, retailers), diffuse (e.g. media) and customers (Dowling, 2002).

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is required from the employees to present consistent and appropriate behavior at all times and places (Temporal, 2002).[*]

In order to channel this huge potential of employees to all the right places, internal branding is necessary so as to motivate and align employees and make them true, dedicated and sincere *brand ambassadors*. Today, many marketers are working on creating face-to-face events with the consumers putting company employees up front as the closest representative of the brand, and obviously, these employees who are responsible for delivering the brand need to have the knowledge and motivation to convey a persuasive experience to the end users (Didriksen, 2003). For instance, in 2002, instead of hiring outsiders, the Pepsi headquarters asked their employees if they would like to volunteer for a sampling task for their new drink, Sierra Mist. In the New York area, more than 500 employees volunteered for this task –the pay of which was just lunch, some game tickets and taking half a day off. Overall, about 7,000 people from all divisions of Pepsi across the US were doing the same – giving out Sierra Mist. Plus, Pepsi employees did a similar activity in Sydney, Australia where they made people test the drink, perform a local talent show, hand out prizes, etc. –arranging it all and fully participating in it (Schultz, 2003a). Evidently, to get to make people try their new brand one on one and interact with them on a close basis were what were in it for the employees; that was their real pay for this extra assignment –*living the brand*. However, they would not volunteer or be able to do this if they did not believe in or were not informed about the brand. Obviously, they have a strong organizational culture that projects onto the employees as trust and will to support 'their' brands. Therefore, to be able to put employees up front like Pepsi did, internal branding should be done properly so that these employees know what they are talking about and are willing to do this when they are conversing with the end users because as Regis McKenna, a Silicon Valley marketing guru, says today, marketing is no longer a function but a way of doing business (Upshaw, 1995). That is to say branding has to be all-encompassing –exist in the job description of every single employee regardless of his/her job.

FedEx and UPS are other companies who successfully make use of their employees as marketing tools; Bloom (2003:14) calls them "the champions of employee communications." Both companies are aware of the fact that their delivery staff bears great significance for their brands; therefore, they work hard to make sure these employees know how to demonstrate the brand values. Plus, FedEx does not hesitate to use its employees as advertising material; in the movie *Cast Away* -the main sponsor of which was FedEx- the character played by Tom Hanks, a FedEx employee, held on to a delivery package for four years on the island that he ended up after a plane crash and took it to its recipient intact when he could finally get back home. Similarly, on CBS's show *King of Queens,* during a heavy blizzard, the boss of the postal truck driver wanted him to keep delivering mail until FedEx announces that they shut down for the day which they usually do not. This is the kind of message that FedEx is trying to give –'our employees are so brand-loyal that whatever the circumstances are, they will get your package to you,' and obviously, to be a reliable corporate brand, they have to make this true by practicing internal branding. Thus, it certainly pays off to turn employees into "a marketing asset rather than a liability" just like FedEx did (Bloom, 2003:14).

Moreover, Schultz (2004a) thinks that letting brands communicate through people should be the <u>definite</u> course of action –not just an option. Having been to a lot of brand conferences and observed the current tendencies, he criticizes the fact that brands have become more and more tactical -focusing on techniques, tools, etc.- and "less managerially relevant." His main

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[*] Plus, employees bring about bottom-line benefits since companies that have formalized employee measures and high employee trust levels outperform the others in means of stock share performance; an editorial in *Advertising Age* journal dated 2003 states that companies on *Fortune*'s most admired companies list boosted their stock appreciation by 50% after establishing employee measures, and another study shows that the organizations that have high employee trust levels enjoy an 186% of outrun on share performance over other organizations the employees of which do not have too much faith in them (Didriksen, 2003).

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concern is that brands are getting more detached from the organizations and more dependent on branding experts who use a special branding jargon that no one else understands but themselves which is an approach that separates brands from employees.

> These branding experts say "branding is an art, it's a creative effort; only we brand mavens know how to create and manage brands... We can't tell anyone how to do it. We can't explain it. We can only recognize it when it's finished and we're satisfied with the results." (Schultz, 2004a:12)

Rather than the business of a single department, Schultz (2004a) believes that brands should be perceived as the property of the <u>entire</u> organization -the entire employee base- so that it can represent the organization as a whole. Thus, it is necessary to make it about the *human side of the brand*, i.e. the employees, and get the brand message across through them.

Employees are *corporate identity carriers*, and their potential in this matter is underestimated; various employees have customer contacts, but all have friends and relatives (Rossling et al, 2001). Thus, it is imperative to make the brand a part of employees' job descriptions instead of just a name or logo attached to their companies. Employees should understand that it is not wrong or overworked to show overt support for a brand that pays their wages. Plus, capability of speaking for their brand makes them feel motivated, inspired, "engaged and energized" since they will be able to witness and understand the positive impact they can make (Tosti et al, 2001:29).

Internal branding has been increasingly referred to as a cost-efficient way of motivating employees and making them loyal to the brand since it is pointless to expect outsiders to believe in a brand which insiders do not; it is essential to make sure that employees embody the brand promise to the end users. Employees are the most visible, accessible and interactive aspect of the entire brand experience for end users; thus, it is important to put them through internal branding so that they know what to do in order to serve their brand in the best possible way. It is vital to keep in mind that human resources are "more strategically potent than most other sources" (Berg, 1986:565), and employees can offer the opportunity for an organization to "stand out from the crowd" since the marketing mix is always replicable, but employees, their values and the culture that they establish can never be duplicated (Strategic Direction, 2003).

S3. Employees need guidance about how to behave in accordance with their brand.

According to Upshaw (1995), employees are becoming increasingly interested in how their company's products, services and brands are doing in the market; they apprehend that their jobs may be dependent on how competitive their company/brand is, and so, they are keen on trying to help promote and develop the brand, but what they are usually unguided about is *how* they are going to do this. On the other side of the coin, obviously, corporations want their employees to speak favorably of them and spread the word around; however, when they do not have clear instructions about this, managers often have a hard time trying to evaluate and achieve a balance between what the company wants the employees to do and how well employees are actually doing it (Dowling, 2002). Here is where internal branding comes into the picture supplying comprehensible guidelines as to what employees should do/not do and say/not say about their company and their brand; internal branding is required for clarifying the means to build a brand and for employees' 'sensemaking'[*] about how their particular jobs affect the total branding efforts and what their duties encompass in terms of branding; they need to understand what impact they can have on the corporate brand so that they become eager and enthusiastic about nurturing it.

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[*] Weick (1995) defines "*sensemaking*" as "the placement of (errand) into frameworks, comprehending,... constructing meaning, interacting in the pursuit of mutual understanding, and patterning" (p.6).

 "You tell customers what makes you great. Do your employees know?"
(Mitchell, 2002:99)   **10**

In order to establish a decent corporate brand, everything employees do must exhibit the brand personality traits; that is the only way to get the best out of "moments of truth" as Jan Carlzon, the former CEO of SAS, called every instance of encounter with the end-users (Temporal, 2002:210). An employee may grasp the brand identity, values and general descriptions that go with it, but what they really should know is what all these entail and signify for their particular job. If they are short on the implementation phase of brand values, then possibly they are not going to commit to it or they will interpret what they know as they please which naturally will have a negative impact on the brand experience for the consumers. Thus, employees has to be notified about what the brand values are and in which ways they should be brought to life concerning their individual jobs, and this is not optional. Getting every single employee's involvement and participation is crucial for the accomplishing desired level of organizational and brand performance (Temporal, 2002). As Upshaw (1995) puts it, "there are too many forces working against the success of a brand for a company to take the view that only select few of its employees' involvement in strengthening the brand identity" (p.193).

As well as accurately manifesting all aspects of the brand to the consumers by making sure that all the employees know how to put the brand values into practice, internal branding has also another goal in this context, and that is ascertaining *consistency* for the brand experience. Consistency means a lot to a brand; it is actually one of the prerequisites for a strong corporate brand since consumers do not want to be surprised every time they purchase the same product/service; they would like to see what they always see in terms of quality and brand values. Attaining consistency through all channels creates a dependable, identifiable and unique portrait of the organization, and every employee should know how to behave in any kind of situation so that at each and every brand experience, all the consumers get a consistent and reliable message from the brand (Hatch et al, 2000). Moreover, here, consistency has another connotation along with consistency for the brand experience, and that is consistency *among* the employees. The entire employee base should be on the same page in order to assure that every employee conveys the same message; as Weick (1996:144) says, "it is hard to make common sense when each person sees something different." Thus, internal branding is needed to make each and every employee perceive and deliver the same message.

Another reason for why internal branding is essential is that, prospective or existent, employees who are devoted to the brand will be differentiated easier and preferred over the others (Martin et al, 2005). This suggests that, serving for the purpose of integrating human resources and branding efforts, internal branding should also have a guidance function in the *recruitment* process by providing necessary guidelines as to select employees that have parallel personal values to those of the brand and the organization so that the new ones can better adapt to the environment and be more useful for the brand's prosperity.

Hence, whether at a casual party, the movies or a business seminar, employees have to be eager and equipped to represent their brand in the best possible and most accurate way, and internal branding has to be undertaken in order to elucidate the necessary conduct and not to leave the employees unguided so as to acquire consistency throughout the organization and the brand experience. Internal branding requires decentralizing the responsibility of delivering the brand onto the external stakeholders –it is not the responsibility of the marketing team only but also of the entire employee base, and internal branding is necessary to make this happen.

"You tell customers what makes you great. Do your employees know?"
(Mitchell, 2002:99)   **11**

S4. Avoiding Contradictory Communications

Avoiding contradictory communications is about integrating external and internal communications so that there is consistency, transparency and integrity and that different channels do not falsify each other; in other words, it is keeping the insiders informed as well as the outsiders.

An essential step in the branding process should be 'selling' the brand image and values first to employees and then to external stakeholders. As indicated by Dowling (2002), there are many branding and marketing teams that work in isolation from the other managers and the employees. Previously, it has been mentioned how Schultz (2004a) criticizes brands' being detached and separated from organizations and employees by brand management teams claiming that what they are doing is unexplainable to those that do not know about branding, and his argument holds true here as well. It is not hard to imagine how discouraged employees and how shaken their trust for the company would be if they heard that the company is launching a new brand, a new campaign for the existing brand, etc. for the first time through a TV commercial, and such things <u>do</u> happen; employees are notified at the very last minute or not notified at all about what is going on with the brand. Obviously, such an approach is insulting to many employees, and if employees are not informed and/or not made participate in the process of launching such activities, they might not feel that it is in their best interest to collaborate when it comes to implementation. Hence, internal branding and obtaining the contribution and commitment of employees must precede and lead any effort to indicate any novelty to end-users (Dowling, 2002).

Aaker et al (1999) describe a company-wide communication system as the most fundamental element of brand leadership. Integrated communications bring about consistency, transparency and congruency between internal (organizational) identity and external image (corporate identity) which is also another way to look at how culture precedes image (please refer to S1). Thus, internal branding efforts must entail achieving parallelism between organizational and corporate identity in order to avoid contradictory messages that are conveyed on to the external stakeholders.

Aaker (2002) is a dedicated advocate of integrated marketing communications[*]. He believes that earlier, in line with the classic brand management model, the main focus being the conventional external focus that is about influencing the customer, internal brand communication was usually ignored. However, he strongly argues that the brand strategy will not be efficient if it cannot motivate and communicate with the "brand partners" both internal <u>and</u> external to the organization (p.13). Following this, Aaker included the issue of internal communication focus in his brand leadership model which he proposes instead of the classic brand management model (Figure 3.2).

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[*] In this context, the term "integrated marketing communications" is not used in the widespread sense that is combining and conveying the marketing communications mix -comprised of advertising, public relations, sales promotion, etc.- (e.g. Kitchen, 2005; Levinson, 2001; McGoon, 1999; Moriarty, 1994; Pickton et al, 2001; Reich, 1998; Schultz, 1996; Smith, 2002). Rather, here, an integration and alignment of internal and external marketing communications is recounted where employees and end-users are on the same page, conveying and being conveyed the same message, whether through the same or different channels.
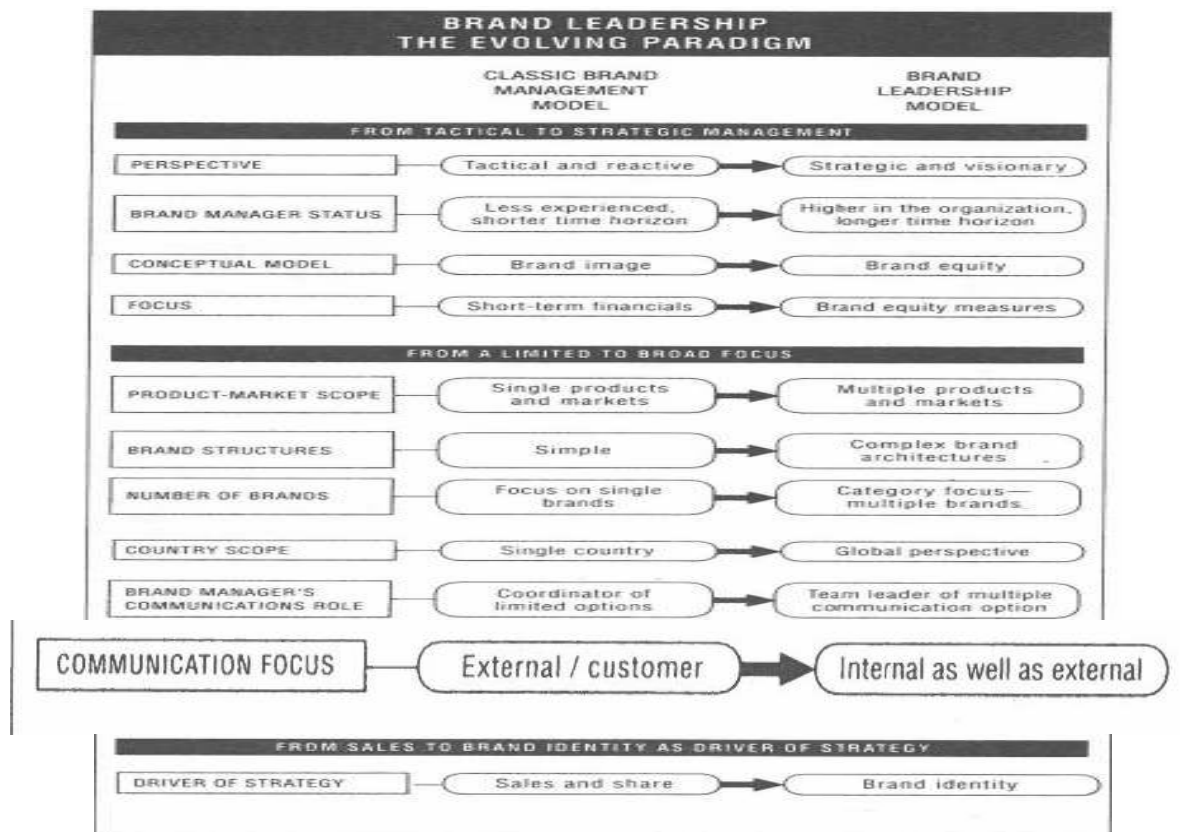
"You tell customers what makes you great. Do your employees know?"
(Mitchell, 2002:99)   **12**

Figure 3.2 The Evolving Paradigm – Brand Leadership (Aaker, 2002:353)

In this context, the existence of communication is a "trigger not only for *cognitive* but also for *affective* consequences such as identification with the group, satisfaction, group attachment, social relationships," and evidently, its absence leads to "role ambiguity/conflict or perceived discrimination" (Vallaster, 2004:101). Internal and external communications should be integrated as to avoid demoralizing employees and diminishing the affirmative effects that a good corporate campaign can bring about onto the employees. Plus, if employees are not informed about what has been communicated to the external stakeholders, they might go out and say something inaccurate which would hurt the brand and the credibility of the company. As a matter of fact, Brooke (2002) lists "communicating the brand position internally before communicating to customers" as one of the eight fundamental rules of living the brand which he identified after conversing with senior executives of 20 multi-national corporations including McDonald's, HSBC, Vodafone and Tesco. After all, while poor communication leads to poor decisions, reduced morale and increased workplace stress (Amidon, 2005), thorough communication brings about very favorable outcomes.

Although all organizations seem to communicate internally in one way or another, what matters is the <u>content</u> of the communication. It is vital especially for the service-oriented organizations with a lot of front-line employees to remind their personnel on and on about their commitments and promises to the external stakeholders and to the organization as well (Christensen et al, 1999). Thus, internal branding is indispensable to align internal and external communications in terms of both announcing new campaigns, products, etc. and delivering the brand promise so that the company and the brand is in unity, consistency and integrity on the inside and out. To sum up, brands need commitment from the employees, and to make sure to get that commitment and dedication, they have to be on the same page with the branding team so that they can (1) represent their brand simultaneously with the other channels and (2) feel that they are a part of the brand.

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(Mitchell, 2002:99)   **13**

S5. Internal branding facilitates word of mouth.

Although it is not a new or innovative technique, *word of mouth* -which can be defined as informal communications between people concerning evaluations of products/services, corporate and brand images (Nguyen et al, 2002)- is still deemed to be one of the most robust and influential marketing communication tools since it is delivered by a reliable source, *ordinary people*, who do not have a bias or a financial gain out of commenting favorably or unfavorably about a product/service (Van Riel, 1999).[*] Evidently, good word of mouth can take a product straight to its target market and assure a good share out of it.

As Bloom (2003) mentions, employee communications is the most underrated and underused marketing tool of all. A company should use its personnel to create a good word of mouth since the story that an employee will tell about his/her brand is more persuasive, given the fact that people will directly assume that s/he knows a lot about the brand and the product. Thus, internal branding can facilitate strong word of mouth through employees; by exercising internal branding practices, employees will be informed about the product/service, the brand and what should be said about them, and most importantly, they will know how <u>not</u> to sound like a TV commercial. Employees should be able to give that personal touch and make others feel like they are not trying to deceive others or sell something but just recommending like a friend. Unmistakably, to be willing to do this, employees should be committed and dedicated to their brand, and as mentioned previously, that is another function of the internal branding.

Affirmative word of mouth is much more valuable than any advertisement since it is found more sincere and dependable. Companies should make use of employees as brand ambassadors in the sense that they take the brand with them, spread the word and represent it everywhere they go. Each employee converses with dozens of people a day whether on or off work, and even though their comments might reach only a miniscule percentile of end-users, giving them the autonomy to do this solidifies their trust and loyalty to their brand as well as helping the brand image to flourish. Thus, in this context, internal branding should be undertaken in order to (1) make employees believe in their brand so much as to voluntarily promote it at any instance and (2) turn employees into knowledgeable brand ambassadors to be able to promote it.

S6. Brand Valuation

When the attitudinal brand value is mentioned, mostly, people think of the value for the end-user. Schultz (2004b) believes that the way brand valuation is made is quite limiting and even misrepresentative in some cases. According to a brand valuation technique that Cranfield University School of Management, UK, has formulated, companies have six more markets where they have to gain acceptance for their brand in addition to the market comprised of consumers, and one of these six markets is the internal market which is composed of the employee base. Schultz (2004b) finds this technique highly appropriate since he believes that brand valuation is a lot more than just identifying the attitudes and opinions of end-users; it is essential to embrace all the peripheral people, units, organizations, etc. in order to grasp the true value of the brand since if one or more of these six other markets are not persuaded about the value of the brand, the seventh market, consumers, may not even have a chance to get access to the brand. Hence, the activities of <u>all</u> these markets/brand audiences are imperative to the overall success and value of the brand.

In relevance to this context, what can be derived from this valuation technique is that for a brand to have a substantial attitudinal value as a whole; employees, being one of the markets

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[*]Media advertising can be cunning and tempting; nonetheless, it is not really reliable since, evidently, it is subjective. On the other hand, verbal and personal communication is much more convincing and effective than the indirect approach that is adopted by mass media because personal communication allows the storyteller to focus on the specific aspects that will appeal to the particular audience that the story is being told to (Van Riel, 1999).

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(Mitchell, 2002:99)   **14**

that corporate brands should appeal to, must have attached great value to it. Internal branding is the means to create favorable perceptions about and devotion to the brand on the employees' side. If employees attach greater value to the brand, ultimately, external parties will do the same, and the only way for employees to have a clear perspective and evaluation about the brand is to be fully aware of what it encompasses. Brand value is critical to the financial value; and employee knowledge, attitude and commitment, regarding the brand, have an underrated impact on it which, in turn, bring up the necessity to improve these traits of employees, and that is only possible through internal branding.[*] Shortly, the internal market -employees- has a substantial bearing on brand value whether attitudinal or financial, and internal branding is required to amplify the value that the employees create and appraise in order to boost the brand value.

To conclude…

Ultimately, internal branding has one superior goal, and that is to motivate, inform and remind employees about the brand that they are serving for (Schultz et al, 2003). Corporate pride, as Berg (1986) names it, which is an affirmative emotion usually related with loyalty and commitment, is an outstanding outcome of internal branding, and employees committed to represent their brand at any instance in a right way will feel satisfied and fulfilled both about their jobs and themselves besides being considered as valuable by their company. Therefore, internal branding is essential and useful for a corporate brand and for the company itself in order to make all these come true due to the reasons listed and explained above. After all, as Guaspari (2002:67) puts it, even after spending vast amounts of time and money in order to promote the brand to external parties, if "appropriate investments" are not made regarding the employees, "brand efforts will fall far short of the mark" since employees who do not know and understand their brand will not be capable of delivering it on.

Critical Perspective

Although internal branding seems to be *sine qua non* for the brand and the company, there is still room for reasonable doubt about whether it might be overrated, misinterpreted and misused in some cases or not. So far, literature about branding has taken <u>only</u> an affirmative perspective on internal branding, leaving out how and where it might fall short, and it is time to play the devil's advocate –is internal branding a *must* no matter *how* it is practiced? Based on articles and books about parallel issues such as corporate branding, corporate identity, image, communication, etc., numerous valid criticisms that entail internal branding will be brought up and explained as follows. It is necessary to note once again that, as far as the literature goes, internal branding has <u>not</u> yet been critically assessed; thus, this is where this thesis' contribution to branding and organizational studies literature stems from.

C1. Corporate Vanity

From the perspective of corporate brands, it is true that standardizing communication, design, appearance and attitude across different cultures and countries is advantageous in terms of cost and consistency; aligning all the symbols related to a coherent image is required to avoid inconsistency between what is said and done (Onkvisit et al, 1987). However, companies rarely stop to think if these mean anything to the end-users and/or if they bear any relevance to the interests, needs and concerns of end-users. It is needed to base the

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[*] About the financial value, today, as the organizational value is increasingly moving into the intangible areas such as brands, loyalty, commitment, skills, intellectual property, know-how, patents, etc., the organizational focal point is unavoidably moving away from the conventional focus of factories, plants, inventory, etc. towards managing the above-mentioned "intangible assets" (Kitchen et al, 2004:362), and without a doubt, brand ranks high among these intangibles. Aaker et al (2002) have defined one of the key determinants of brand value, again, as intangible factors such as the potency of the brand with regard to "its relative awareness, perceived quality, customer loyalty and associations" (p.18). According to a study of brand values that is conducted by *Interbrand*, world's leading brand consultancy, in 1999, nine of the top sixty brands, in terms of brand value, had values that surpassed 50 percent of the entire company value such as IKEA, BMW and Nike (Aaker et al, 2002), and this simple fact is the evidence for how important these "intangibles" are.

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(Mitchell, 2002:99)   **15**

brand values on the organizational values, but the brand values are addressed to the consumers; thus, they should be relevant to <u>their</u> wants and interests. Some organizations are so caught up in their own identities that they believe whatever they are doing is valuable to their consumers which may not necessarily be the case. Christensen et al (1999) call this line of thinking "corporate vanity" where companies are so self-absorbed in their values and features that they believe these mean as much to the external parties as they do to them.

Within the concept of corporate vanity, in order to achieve consistency, or as Phelps et al (1994) call it "the principle of speaking with one voice," there are some companies who have crossed the line by actually banning certain behaviors of their employees outside of work such as driving motorcycles after work (Christensen et al, 1999) which is, in fact, invasion of privacy. Companies are so conceited that they regard themselves above everything, and they think that they can claim control over their employees' everyday lives. In the same line of thought, Berg (1986) disapproves of what he calls "organization seduction" which is "the company's attempts to make employees choose to act in a certain way, where in reality he had no other choice" (p.576). Thus, even if employees abide by the rules that do not have anything to do with their workplace, e.g. not driving motorcycles, organizations have to understand that employees are doing it since they do not have any other option in order to keep their jobs. Even if these rules are related to the brand/product in question, still, it is invasion of privacy which basically means that they are out of line; for instance, Coca Cola is known to dismiss an employee who was spotted to have a Pepsi can in his car that was parked in the company's parking lot, and some P&G employees tell that they check around in a supermarket to make sure that they are not 'caught' by anyone they know when they are buying a product of a different brand than P&G. Evidently, oppressing employees is not an ethical approach which will be further discussed later on.

This applies to the issue of "shared meanings." According to Ashforth and Mael (1996:35), many managers deem that their role is to "foster and maintain a system of more or less shared meanings so that coordinated behavior can occur;" however, Christensen et al (1999) oppose this by claiming that coordinated behavior does <u>not</u> necessarily point to shared meanings. Employees in a company have different skills, capacity levels, potential, inclinations, plans, etc., and the mere fact that they are working for the same company and brand does not mean that they have to have the same values which is what companies drowning in corporate vanity want them to do. In order to achieve interdependence and commitment to the brand and company vision, employees do not necessarily have to be copycats of one another (Colville et al, 1999); they can believe in different things but work for the same goals of the same organization. For instance, Coca Cola is a powerful reminder of the United States; nonetheless, people working for Coca Cola in different countries do not essentially consider the US as superior. Plus, as Harris et al (2001) state, heterogeneity has many benefits such as easier problem solving, innovation, responsiveness to change, wide range of skills and knowledge and less susceptibility to "the limitations of 'groupthink'" (p.447). Moreover, Guaspari (2002) has a point in claiming that some internal branding manifestations are problematic such as "employees must reflect the brand" in the sense that organizations inform their employees about the external and the internal brand so that they can adjust themselves accordingly. However, it does not work that way; "employees don't 'reflect' your brand. It's the sum total of their efforts that *are* your brand" (Guaspari, 2002:68). Pretending to be someone that they are not is not helpful in the long-run, and as the author puts it, there is a chicken-egg problem here; brands do not make employees – employees make brands.

Thus, in one sentence, it is necessary to be capable of avoiding "brand blindness" as Schultz et al (2003) name it –meaning, to be able to differentiate between organizational and personal perspectives and not to pressurize employees about how to live their lives and what

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to think and believe in order to "align" them with the corporation and the brand that they are working for.

C2. Autocracy vs. Democracy

The major goal of internal branding is integrating external and internal branding efforts with the *active participation* of employees in the branding process; however, in the business world, this is practiced much too differently. In many organizations, corporate signifiers are organized, rigorously designed and delivered *from* top management *onto* the employees at all levels as orders to follow. Obviously, this top-down and autocratic approach is hypocritical as it is claimed that the organizational identity features are derived bottom-up from the culture as a whole. This, actually, is a consequence of corporate vanity which Christensen et al (1999) refer to Baudrillard's (1988:41) delineation for it as "narcissistic faithfulness to one's own sign and to one's own formula."

Christensen (1995) acknowledges that today, mostly, employees are interested in the identity of their companies; generally speaking, employees like to know how well their company is doing in the marketplace and how it is perceived in the wider community, and some employees even ask for more such as better market communication from their companies. This is because most employees are trying to identify themselves with their organizations; Christensen et al (1999) refer to this as the organization's being a fundamental part of employee's "extended self." However, they also believe that to presume that the majority of the employees in a company are profoundly engaged in the complex and <u>detailed</u> organizational identity is failing to grasp that they are often indifferent to and uninterested in what companies have to say since they were left out of the process of <u>building</u> the identity which requires participation and voice. Ironically, upper management, being captivated by their own ideas and plans, considers the issue of branding too valuable to let people who do not know much about how to build a brand interfere with it. As well as the previous critique about corporate vanity, this arrogance was brought up previously by reference to Schultz (2004a) (Please see S2) where it was mentioned that brand managers are always using a brand terminology -that nobody can understand- with the assumption that branding is a 'higher art' requiring its own special vocabulary, that is impossible to explain, which causes employees to be more and more detached from the organization.

Kitchen et al (2004) assess this issue from the communication perspective. The authors explain and critically assess the *classical communication model* where the communication authority of the company packages the message(s), that either s/he identifies or is given by the upper management, and delivers them to the employees without asking for their input in terms what they would want, need or like to hear and know. Instead, the company makes all the decisions for them –what employees should be informed (and not be informed) about, how they should behave, etc; "the organization 'talked,' and employees were supposed to listen" (p.360). It is hard to imagine how branding will be internalized with such a dominating approach which denies employee participation.

Hence, organizations do acknowledge the need for internal branding, but it is rarely practiced the way it is supposed to be; companies interpret it the way it best works for them which for the majority of the cases is *autocracy* where upper management defines and dictates what needs to be done and expects employees to follow these orders. However, the nature of internal branding necessitates collaboration and cooperation –<u>not</u> dictatorship. An autocratic approach in internal branding obstructs the entire branding process since it would make employees feel forcefully disconnected rather than voluntarily committed to the brand.

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C3. Over-complication of the Brand

Over-complication of the brand is a result of C1 and C2 in the sense that organizations, that are drowning in corporate vanity and that confined branding to a small clique of brand 'guru's, usually tend to use extraordinary and convoluted ways of brand building which are obviously developed by these so-called gurus who consider themselves as decision-makers about the brand, talking on behalf of the rest of the staff -the role of which is doing nothing but what is told. These complex methods even include using philosophers and artists to verbalize and communicate company's values; for instance, Bang & Olufsen claim that poetry is inherent in their culture –unavoidably related to the corporate 'soul' (Christensen et al, 1999). It may seem a little far-fetched to wrap philosophy and a 'soul' around a commercial entity both from the end-users' and the employees' perspective; it is questionable if any random Bang & Olufsen employee can respond to the 'poetry' in their brand and organization. All these complex corporate signifiers lead to, what Berg (1986:577) calls, a "rapid internationally growing symbolic pollution" which is composed of huge numbers of symbolic items that are created by each and every company on the market. According to the author, this throng and over-complication will bring about "a pseudo-world where there is a gap between symbolic and the substantial where symbolic reality is manufactured and consumed as any other commodity" (p.577). Obviously, a brand cannot make it if it is based on symbolic material that is detached from the reality.

Branding people come up with these elaborate explanations which, for most of the time, are not based on the organizational identity with an effort to make the brand an object of interest to employees, but, in contrast, this effort renders employees more detached from the brand and more dependent on these branding experts (Schultz, 2004a). Moreover, this misinterpretation of internal branding brings about confusion and distrust among the staff; it is not possible to ask people to work for and promote something that does not seem real and that they do not understand. Hence, the implementation of internal branding following this 'elitist' approach causes more harm than good.

C4. Excessive Repetition

There are many brands in the marketplace; thus, there is a huge number of brand values and identities trying to be delivered to the end-users through all sorts of mass media. Due to this fierce competition, companies feel the need to remind themselves to outsiders regularly about their values, signifiers, etc. The common assumption is that 'the more messages conveyed, the better;' therefore, there is a huge focus on the 'tonage' of communication with the belief that a corporate brand should be present in the whole communication spectrum in order to be heard (Kitchen et al, 2004). To a certain degree, yes, it is necessary for the employees to repeat these on and on to assure commitment; however, to use employees as an ambitious and vigorous communication channel might be too much for the end-users. Having heard the brand message(s) from different sources, consumers might not want to hear it once more from their acquaintances; this might even lead to hostility towards the brand as the consumers would feel like they are hammered on the head about the brand from all possible channels.

On the other hand, design of internal branding tools is central in that it must be ensured not to alienate and irk employees with constant repetition. Employees should learn about the brand to be able to work it through, but hearing and seeing the same thing all the time everywhere may induce dislike and apathy internally as well. Internal branding is put into practice to get employees' attention and interest in the brand, but if what it brings about is ennui, then, it is of no use.

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(Mitchell, 2002:99)   **18**

C5. Excessive Pressure on Employees

Through internal branding, employees are made brand ambassadors from whom full representation of the brand is expected. However, when employees are, for instance, featured in corporate advertising, the intended motivation coming from the company to thank them for being a great corporate asset may become threatening; such advertisement shows the outstanding service that employees provide for consumers, and this rises the level of customer expectancy for the service quality which may be useful for attracting consumers but can leave employees at a bad place if their support systems are insufficient to respond to these high expectations (Downing, 2002). Berg (1986) cites an interesting example of such attitude, in which it is not hard to see how stressed the faculty might feel:

> ..the director of a business school who said: 'I always give the outside the picture of the school as I want it to be rather than as it is. In this way, pressure will be built up from inside to conform with the expectations from outside. Thus, I don't have to push them, but just sit there and wait for my future to be realized.' (p.561)

As cited by Berg (1986), Normann (1984:73) states that in some conditions, management might deliberately want to create a "mismatch between reality and image" hoping that "a strongly projected image will actually create behavior of such a kind that reality is reshaped" just like what the above-mentioned business school director wishes to do. However, this is dangerous, risky and, as Berg (1986) reminds, often used in the wrong way; it can easily backfire on the management as high turnover related to elevated levels of stress and pressure.

With internal branding, organizations verbalize the brand's dependence on employees; they are expected to know by heart, pass on <u>and</u> put into practice all the symbolic resources that are attached to the brand such as values, ritualized activities, historical stories, corporate saga, life story of the founder, etc. On top of their usual duties and chores, employees may find this too much. For instance, LEGO, the Danish toy company, decentralized its branding efforts by making up brand teams from different departments which meant redistribution of roles and responsibilities (Schultz et al, 2003). As opposed to being motivated brand ambassadors, in this case, LEGO's employees might be discouraged and unhappy about the fact that they are *obliged* to work for the brand team besides their own department; they might not be willing to commit to this extra burden. Moreover, as a threat for not cooperating to brand-related activities, some companies take retributive action against those employees who behave in an "off-brand" way in order to get large numbers of employees to agree and not to resist (Bergstrom, 2002) which is even more demoralizing. The previously-mentioned case of the Coca-Cola employee getting fired for having a Pepsi can in his car parked in the company's parking lot is a good example for such retributive action.

Bombed with a huge amount of information, recommendation and guidelines, employees might develop insecurity about their capabilities to render these; especially the lower level staff gets easily demoralized due to the elevated expectations coming from the management and the external parties, and eventually, they might get lost. On top of that, if the management is putting upfront something that the employees are not, if they are threatened to cooperate and if they are punished when they do not; then, it will be a much harder task to *keep* these employees than to implement internal branding.

C6. Excessive Focus on Appearance

It is not a new phenomenon that large companies invest a lot in their appearance and visual style. They have identity and brand charters where they go on and on about the design of various outlets, the font and color of the characters, the location of the logo that must be used in corporate documentation, etc. As Berg et al (1985) put it, companies are trying their best to improve 'corporate looks' in terms of "slick, stylish corporate buildings, new office lay-outs

"You tell customers what makes you great. Do your employees know?"
(Mitchell, 2002:99)   **19**

and decorations, landscape gardening, graphic designs, corporate uniforms and visual identities." Christensen et al (1999) interpret this as companies' getting more and more "absorbed in their own symbolic expressions and their own appearance" (p.254) in order to alert involvement and interest from the consumers' and the employees' side.

Olins (2000) mentions that today many organizations standardize their external images with elaborate design manuals that regulate external and internal communications. Ericsson's Corporate Visual Language (CVL) manual, which is over 300 pages, is an example for these design manuals –four basic building blocks of which are the trademark, the logotype color, the typefaces and the accent (Rossling et al, 2001). This is another point where internal branding is misconstrued which actually follows the same line of thought with corporate vanity; for instance, it is questionable if Ericsson's blue mean that much to the end-users if anything. Usually, what companies derive from practicing internal branding are these superficial design issues, and they miss out on the brand values, attitude and the value of the product/service for the end-users. Washington et al (2007:127) list "thinking the brand is the logo, stationery or corporate colors" and simplifying it to such graphic tools as the second most significant mistake that marketers make when branding. Therefore, it is necessary to pay attention to such visual and superficial issues within the context of internal branding.

To conclude...

For many companies, internal branding is a fashionable practice. When Boston Consulting Group first came up with its product portfolio matrix, all companies started to classify their business units accordingly in order to show that they are up-to-date with the latest developments in the business world -ignoring or just not caring about what benefits filling up that matrix would bring for them. With many companies, internal branding follows a similar course; it is practiced since it is the buzzword of our day, and what good it does to the brand and the company might be neglected. For such organizations, internal branding is open to misinterpretation and, often, of no use; furthermore, it brings more harm than good by detaching employees from the brand and discouraging them in many ways.

IV. Methodology

The aim of this study is to find out if internal branding is as prominent, as it is claimed to be by various researchers and authors, no matter how it is practiced; thus, basically the first research question is *how relevant and resourceful internal branding might be as far as the whole branding process and corporate success are concerned.* Following the above findings from the literature survey about this, the field study section will come next where a 5-star luxury hotel that is a part of an international chain, The Ritz-Carlton Hotel Istanbul, is scrutinized about their practices, how helpful/redundant internal branding has proven to be for their brand management process and if they have fallen into 'black holes' of internal branding that are defined in the previous section or not. Afterwards, implications of this case will be discussed with relation to the theoretical basis where the second research question is posed in the quest to find out *how susceptible internal branding practices may be to misinterpretation and misapplication.* In the previous section, questionable aspects and debatable practices of internal branding were brought about. In the case study section, it will be tried to unravel how and which of these aspects and practices can hurt the main purpose of internal branding, how seriously and in which ways. This will lead to the final question which seeks the answer to *how congruent the theory (literature) and the empirics (case) are –regarding the manifestations of the both parties about the relevance of internal branding*; do the practitioners concur with the academics in their strong defense in favor of internal branding in this case? (Table 4.1) The study will be finalized with the limitations and recommendations for further research. It is necessary to note here that since this is an exploratory case study, the findings will not be conclusive or generalizable over the entire concept of internal branding; the purpose here is to point out how problematic internal branding practices may get in such situations. Thus, as will be explained in detail further on,

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(Mitchell, 2002:99)   **20**

the deduction derived from this case is not universal, generalizable or conclusive –it is exclusive to this case only.

Research Questions for Relevance of Internal Branding
1. How relevant may internal branding be for the entire branding process and corporate success?
2. How vulnerable may internal branding be to misinterpretation and misapplication?
3. Do theory and empirics concur regarding the relevance of internal branding in this case?

Table 4.1 Research Questions

Research Process

This study was carried out in four main stages. Initially, the issue of internal branding was selected by the author since it was of interest within the branding literature and quite understudied. When researching about internal branding, it was noticed that the existent articles did not follow categorical, systematic and critical approaches towards this issue; rather, they were making general statements as to what internal branding is and basically why it should be practiced. Thus, after having studied relevant branding, marketing and organizational issues that were previously mentioned, in order to systematically address what has been stated and to introduce a second thought, the author formulated six supportive and six critical points regarding internal branding. The aim was (1) to methodically attend to this concept and lay out basic reasons as to why internal branding should be practiced and (2) to point out that the *execution* and *conduct* of internal branding have a great bearing on the intended outcomes and how it might end up to be more harmful than fruitful. Then, following the literature review, three research questions were verbalized. Having the idea of how valuable it would be to see if and how academics are reflected onto the empirics within the scope of internal branding right from the beginning, the author went on to opt for a case company. Consequently, The Ritz-Carlton Hotel Istanbul was selected since (1) The Ritz-Carlton brand is frequently referred to in the branding literature as a prominent service brand with benchmarked practices, (2) internal branding is especially important for service brands, (3) a hospitality business has not been scrutinized within the issue of internal branding, (4) the author's field of undergraduate studies was tourism administration which would make it easier to relate to and comprehend this case company's practices, and finally, (5) this specific branch had proximity to the author's whereabouts during the course of the study.

When carrying out the field study, a qualitative study with in-depth interviews was realized in order to get a deeper understanding of this issue and to explore its consequences. Since there was not adequate previous research about this issue, there were not any reference points that this case company could be statistically compared to, and for the purpose of this study, *understanding* was prioritized over measurement; therefore, qualitative research was preferred over quantitative. Rendering a quantitative study through conducting questionnaires to the employees of the case company or to the employees of the competitors to the case company as well as the case company itself would have provided some data, too; however, such statistical data would not be sufficient as to answer the three research questions to the satisfaction of the author. Overall, as formerly indicated, this design is more appropriate for the purpose of this study in the view of the fact that the objective here is exploration and not quantification. Details to this research design will be discussed below.

After formulating detailed interview questions in line with the three research questions and the literature review (please see Appendix III), next, interviewees were sought for. The initial two respondents were of previous acquaintance to the author, and the original plan was to

ask them to facilitate contact with other employees from different levels and departments in order to reach a healthy and thorough analysis with multiple perspectives. However, after these two primary interviews, the author decided to include some former employees of the case company as well so that bias, inertia and internal blindness could be kept to a minimum regarding the entire research besides attaining a retrospective and comparative standpoint. Thus, certain networking efforts were placed in order to find former employees of the case company. Eventually, as a result of internal and external networking efforts, ten respondents from diverse departments, levels and backgrounds were interviewed so as to get an all-encompassing view of the internal branding practices of the case company (Table 5.1).

Subsequent to the primary data collection through in-depth interviews, empirical findings were analyzed with relation to the previously-formulated supportive and critical points with the objective of answering the research questions. During this course, the author found it necessary to include more articles in order to shed some light on certain issues of high relevance that came up during the data collection process such as employer branding, hotel branding, service multinationals and additional facts about other hotels belonging to the Ritz-Carlton hotel chain. Lastly, the three research questions were directly answered by briefly summarizing each point in the discussion chapter, and limitations of the study with suggestions for further research were followed by the conclusion to this paper.

Research Design
As stated above, the type of research undertaken for this study is *qualitative research* where words and in-depth understanding of ongoing events are emphasized rather than quantification of data collection and data analysis (Bryman et al, 2003). Specifically, this is an *exploratory study* supported with a single case taking on a deductive approach meaning to test the theory. An exploratory study is carried out when there is not much information about the situation at hand in order to obtain familiarity with it, and such studies are necessary for gaining a deep understanding of the topic of interest (Sekaran, 2000). In this case, the practices of the case organization will be described, and the reasons why these practices are pursued and what good and harm they brought about to the brand and the company will be explored. Hence, although this is an exploratory study at core, descriptive features are needed and used at first in order to obtain information about the already-existing activities in the area of research before exploring the reasons, benefit and damage that they beget. This approach is convenient for this paper as exploratory research is more flexible, and it supplies the researcher with various angles about the issue at hand.

The selected research design is a single, detailed and intensive analysis of a *case study*. In the pool of sample organizations that are appropriate for this study, there are not many others known for good internal branding practices, and if other case companies from other industries were to be used, then, there would be contradictory characteristics of the industries involved. Thus, a single case company is chosen. Employing a case study was apt since it gives the ability to use numerous techniques such as interviewing and observation. According to Yin's (1984) classification, out of the three types of case studies which are critical, unique and revelatory, the case at hand is a *revelatory* one where the researcher observes and examines a phenomenon. This study also involves micro-ethnography since it focuses on a particular aspect of an organizational culture (Wolcott, 1995).

The type of sampling used is *nonprobability sampling*, and in that, both convenience and purposive sampling were used. Initially, interviewees would be selected from the current employee base of The Ritz-Carlton Istanbul, but then, for the sake of credibility and to avoid internal blindness, it was decided to include the *former* employees of the hotel to the sample so that a more objective perspective could be gained. The departments, levels and tenures of the interviewees were taken into consideration when selecting in order to be able to embrace opinions from different levels and departments. At the end, there were ten subjects –six

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current and four former The Ritz-Carlton Istanbul employees; the human resources director, the marketing manager, the housekeeping manager, the human resources supervisor, the sales coordinator, the reservations coordinator and the former assistant sales manager, the former shift leader, the former purchasing agent and the former spa attendant.

The type of investigation here is *correlational* since the issue is how internal branding is correlated with the organizational prosperity and the brand image that the employees reflect out. A correlational study is done when the interest is in defining the important variables that are related with the problem, and it is carried out in the natural environment of the company with *minimal researcher intervention* to the daily flow of work; correlational studies are not manipulative like causal studies. Obviously, the study setting is non-contrived as the research will be conducted in the natural environment –the hotel itself where work is done normally; it is not an artificially created setting. The type of study here is *field study* which basically combines the concepts above; it is a non-contrived research with minimal researcher interference where various factors are studied in the natural setting where work proceeds as it is (Sekaran, 2000). The unit of analysis is *organization* since although the research is conducted on employees, the research question is about the organizational perspective and implications due to this issue. The time horizon is *cross-sectional* since the data was gathered at once, over a period of weeks. Data collection methods used were *primary* and *secondary*; the primary data collection methods were interviewing and observation, and the secondary data collection methods were using books, articles and documents obtained from the case company. About the primary data collection methods, qualitative semi-structured interviewing was conducted as it is more flexible, and this way, it is easier to get the answers that are sought for during a deep and detailed investigation. After each interview and according to the respective interviewee's field of expertise, interview questions were
revised; thus, at the end of this process, there were more questions answered than
what was started with (please see Appendix III for interview questions). Plus, non-participant observation is rendered where the researcher does not participate or intervene but watches the usual daily conduct (Table 4.2).

Type of Research	Type of Study	Research Design	Type of Investigation	Type of Sampling	Unit of Analysis	Time Horizon	Data Collection Methods
Qualitative	Exploratory Field Study	Case Study	Correlational	Nonprobability	Organization	Cross-sectional	Primary Secondary

Table 4.2 Methodology Brief

Research Criteria

As for quantitative research, there are various criteria as generalizability, validity and reliability; however, these criteria do not bear as much significance for qualitative research since they are beyond the point of the qualitative research. Especially for case studies, the goal is not measurement or, for instance, enhancing representativeness by using random sampling to increase generalizability; the aim is intensive analysis and examination of a given situation. Instead of the ones above, Guba and Lincoln (1994) suggest alternative criteria for qualitative research; *trustworthiness* and *authenticity*. Trustworthiness has four sub-criteria –credibility, transferability, dependability and confirmability; and authenticity has five sub-criteria –fairness, ontological authenticity, educative authenticity, catalytic authenticity and tactical authenticity.

Credibility -which is similar to internal validity- is about making sure that the research was carried out ethically and methodically presenting research findings to the organization that was studied; in this case, research has been carried out by following the necessary

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fundamental steps, and the results and findings were shared with the organization which hopefully will be used to better themselves. *Transferability* -which parallels external validity- is if the results can be replicated and/or transferred to other situations; here, the results are not really transferable since the point here was producing a "thick description" (Geertz, 1973:3) about this particular issue rather than producing results that can be applied at various other circumstances. On the other hand, the practices of the case company and their results can be considered as guidelines or advice by the other members of the chain all over the world and/or the same class hotels with the similar features in the same geographical market; moreover, the conclusions derived from the literature review hold true for almost all corporate brands. Thus, there is a certain amount of transferability that persists. *Dependability* -which reminds reliability- is about researchers' adopting an auditing approach where they run all phases of the project through peer(s) and/or experts, which has not been a pervasive approach since it is hard to accomplish with all sets of data to be audited. Here, the topic and approach had been discussed with fellow students and professors in order to get their input which was considered during the course of the research. Lastly, *confirmability* is about objectivity; while obviously the researcher cannot be utterly objective in such a case, it involves checking out that their personal values, opinions or inclinations do not get in the way of the research and the findings (Guba et al, 1994). In this case, it was made sure that the research was carried out as objective as possible by keeping a level distance from all the subjects involved and by trying to have an outsider's perspective on the entire study. As a whole, the aim was to produce a study with a high level of trustworthiness.

About authenticity, first of all, *fairness* is if the research fairly speaks for assorted opinions of the members of the social milieu or not. In this study, the current employees of the case company from different levels and departments were interviewed and observed as well as the former ones in order to get an even representation of viewpoints about the effects of internal branding. *Ontological authenticity* answers the question of whether the research helps subjects to get a better grasp of their social setting or not, and hopefully, with this study, they get to see the benefit and damage that is induced by what they are doing and consider an outsider's perspective. *Educative authenticity* is about enhancing the subjects' appreciation of other subjects' opinions about the issue which is hard to get since people are more likely to voice their <u>own</u> judgment rather than appreciating others' especially when they are being posed questions about <u>their</u> stance as done during the course of this research. *Catalytic authenticity* is to see if the research has induced any attempt in the subjects towards changing the already existing circumstances for better. This is hard to catch as well since it happens in long shot, and it is not really possible to see it happening right away in such a cross-sectional study as this. Lastly, *tactical authenticity* corresponds to whether the research has empowered the subjects to take necessary action to fix the situation which is again hard to monitor since this is not a longitudinal study; however, it is one of the main aims of the author to show the case company what their practices entail in a level that they may not have considered before, and if there is a revealed situation causing stress, it is the author's wishful thinking that the subjects are incited to take necessary action (Guba et al, 1994).

Still, if it is necessary to evaluate this research in light of the conventional criteria, LeCompte and Goetz (1982) provide slightly tweaked definitions with regard to qualitative research. Hence, accordingly, *external reliability*, which is about replicability, is high only if the research is done with exactly the same people holding same opinions, same management and same rules of conduct, but obviously, these are subject to very rapid change, so this study is hardly replicable. *Internal reliability* is about if researchers/observers agree on what they have seen and heard, and that is hard to comment on in this context since there was a single researcher. *Internal validity* questions the integrity of the observations and the theoretical background, and it can be said to be high for this research as the interview questions were derived from the literature survey, and the implications of the case were discussed according

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(Mitchell, 2002:99)   **24**

to the theoretical information at hand. Lastly, *external validity* indicates generalizability, and as stated above, this case and research can only be generalized over very specific situations; thus, external validity cannot be claimed to be really high. Case studies have inherent lack of generalizability which is regarded as one of their main drawbacks, but that is not the point of case studies anyway given the fact that, unlike experimentation, they "pursue local relevance at the expense of global relevance" (Vallaster, 2004:102) in order to produce useful knowledge that will be applicable in specific local situations. That is to say case studies are conveyed to extensively analyze one given situation –not to create a general rule.

V. Case Analysis

In order to test the theory and to find out how its reflections are in the real business world, a case study is carried out. The subject of this case is a five-star service business, The Ritz-Carlton Hotel Istanbul. Below, the importance branding bears for the hospitality business and case company overview will be followed by the empirical findings regarding the internal branding process of the case company and the case analysis in the quest to answer the research questions of this study.

1. Importance of Branding in The Hospitality Industry

There are various reasons why this subject is selected. First of all, branding is utterly important for hotel businesses since the level, kind and the perception of the service is what attracts hotel customers; that is to say, intangible aspects of this business is more preeminent than the tangible aspects, and brand is a way to define and describe the offered service for the consumers. Campbell et al (1995) label branding as one of the four critical success factors of hotel businesses. Moreover, Jiang et al (2002) state that lodging is strictly a brand equity business; most of the time, customers' hotel-stay decisions are based on their perception about the brand name of a certain hotel which may explain why there are more than 200 hotel brands in the US which surpasses the number of brands in all other product categories.

Strong brand equity for a hotel business means higher occupancy and average room rates as a result of high customer satisfaction and a favorable price-value ratio (Prasad et al, 2000). This was proved by Kim et al's (2005) empirical research which exhibited a positive correlation between brand equity and financial performance in luxury hotels, and this is enough reason as to why branding must be emphasized as the key driver for the prosperity of a hotel business. For instance, simply a 'Marriott' label indicates (1) promise of a certain type of experience, high service quality and differentiation for the consumers and (2) lower operating risks, limited costs of new-product introductions and improved corporate performance for the corporation (Muller, 1998). In the luxury hotel business, most repeat purchases are made based on views and perceptions of customers about the service and the brand (Kim et al, 2005), and loyal customers are vital to the bottom line of hotels since they spend five times more than others (Peppers et al, 1993). Therefore, branding is absolutely crucial to the hotel business.

Internal branding has a particular importance for luxury hotel businesses. According to the factor analysis assessment of the results of their brand equity questionnaire for luxury hotels, Kim et al (2005) conclude that *perceived service quality* and *brand image* are the top two factors for luxury hotel businesses. Similarly, Muller (1998) lists three primary issues to service branding as quality services and products, the way service is delivered and establishment of a symbolic and particular image. Obviously, all these factors are closely related to the employees –their qualities, the way they treat customers and how well they reflect their brand. For instance, in Kim et al's (2005) questionnaire, eight of the eleven questions asked to evaluate the importance of perceived quality were about employees regarding their attitude, appearance, manners, service delivery, complaint handling, communication and level of expertise. Likewise, three of the questions asked about brand image were about employees' kindness and level of service. As mentioned above, perceived

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(Mitchell, 2002:99)   **25**

quality is of utmost importance to customers when making their hotel-stay decisions, and if employees are such a substantial part of the perception of quality, then employees must be knowledgeable about the brand, how to represent it and pass it on, and be willing to do these. Obviously, without the correct implementation of internal brand management, these will not be possible to achieve; hence, perceived quality will not be as high no matter how beautifully brand image is crafted by the brand managers.

For all these reasons credited above, a luxury hotel business is found appropriate to test the theory and find out the desirable and undesirable impacts of internal branding in the real business world. Since The Ritz-Carlton hotel chain is renowned for their level of quality and service, a member of this chain was selected to assess their stance in the context of internal branding.

2. Case Company Overview

The Ritz-Carlton Hotel Company LLC is a prominent brand of upscale lodging industry. It all starts with César Ritz -the Swiss hotelier who is better known as "the king of hoteliers and hotelier to the kings" in the hotel business- when he changed the definition of luxury accommodation in Europe via managing The Carlton Hotel London and The Ritz Paris. After his death, Albert Keller bought and franchised the brand name Ritz-Carlton and opened up the first Ritz-Carlton in the US in 1927. In 1983, this hotel in Boston was sold to The Ritz-Carlton Hotel Company LLC, and after that, the brand started expanding all across the US. Mariott International purchased it in 1999, and currently, The Ritz-Carlton Hotel Company is an independently run subsidiary of Marriott. There are 63 hotels worldwide with a total of 18,475 hotel rooms along with 18 more hotels planning to be opened up by the year 2010 in Europe, Africa, Asia and the Middle East. Ritz-Carlton has over 32,000 employees around the world (http://corporate.ritzcarlton.com), and it is the only service company to twice win the United States Department of Commerce's Malcolm Baldrige National Quality Award which recognizes corporate excellence (Papasolomou et al, 2006).

Most probably, the Ritz-Carlton is the first brand that would come to mind when luxury hotel business is in question; there is even a word after the hotel, "ritzy," that means elegant and lavish and a musical called "*Puttin' on the Ritz*" that means dressing classy. Even though this image was already well-established earlier, the actual organized branding activities were started to be undertaken in early 80's. Horst Schulze, Ritz-Carlton's Chief Operating Officer of the time, and his team developed the renowned motto "We are ladies and gentlemen serving ladies and gentlemen" deriving from his philosophy focused on the value-mission relationship. There are several different versions of how the Ritz-Carlton service is branded; some describe it as personalized high-end service provided by 'ladies and gentlemen' who are "warm, friendly with service excellence in their heart" (Dube et al, 1999:37), and some relate it to customers' feeling belonging and home away from home (Lampton, 2003). The general manager of The Portman Ritz-Carlton, Shanghai, says that the utmost mission of the brand is to provide "genuine care and comfort to our guests" through a "warm, relaxed yet refined ambience" (Yeung, 2006:269). Other definitions and brand values given by The Ritz-Carlton hoteliers are 'quiet elegance,' 'upscale service with a personal touch' and 'relaxed yet elegant.' As the marketing manager of The Ritz-Carlton Istanbul puts it, their target market is the top 5% of the luxury segment which means the top 5% of the most spending travelers. Perceptive of the change in this top segment, the elegance and luxury they are providing is not as extravagant and flamboyant as it used be since luxury and wealth are not automatically associated with limousines and furs anymore; that is why they have recently redefined their service values, that are actually their brand values phrased in terms of employee attitude and service, as will be further explained below.

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(Mitchell, 2002:99)   **26**

The case company of this study, The Ritz-Carlton Istanbul opened up in 2001, and it has 244 rooms and about 200 employees (please see Appendix IV for further details). In 2005, it was in the respectable Condé Nast Traveler's -a major American journal of hospitality business- Gold List, and in 2006, it was elected as one of the top 100 best hotels in the world by the same journal. The main reasons why this company is chosen for this study are due to the facts that (1) internal branding is especially eminent for service companies, (2) a hospitality business has not been analyzed within the context of internal branding in the literature, (3) Ritz-Carlton is a worldwide distinguished service brand (Washington et al, 2007; Seckin, 2003; Lampton, 2003, Yeung, 2006) and (4) it is also a recognized employer brand with widely benchmarked practices (Cai et al, 2007; Dube et al, 1999; Papasolomou, 2006). It is commonly known that Ritz-Carlton offers superior service and delivers a unique brand experience to their external customers; hereunder, how their internal customers get to provide that unique brand experience will be studied in detail.

3. Empirical Findings

Primary Data Collection in Brief

As previously explained in the methodology section, empirical findings were gathered as a result of a series of interviews with ten respondents of different titles, departments, demographics and backgrounds within the duration of several weeks. These ten interviewees went through semi-structured questionnaires the questions of which were revised and modified to some extent when necessary (please see Appendix III). Although the main framework of these interviews was set a priori on the Ritz-Carlton brand -its strength, its basis and its reflections on the employee base, importance of internal branding and internal branding practices, to a certain degree, focal issues discussed changed from one interview to another due to the different areas of expertise and interest of the respondents such as department and tenure (Table 5.1).

Internal Branding Process of The Ritz-Carlton Istanbul

Being one of the eminent brands of our day, it would not be surprising to see that The Ritz-Carlton Istanbul -the case company in question which will be referred to as RCI hereafter- has quite accomplished and grounded internal branding practices. After reviewing the entire process, one may even conclude that they have formulated their own theory about this concept.

The internal branding process of RCI has several stages and levels to it with an ongoing effort that never rests. The grounds of all these endeavors is the philosophy that the company has; RCI is definitely aware of the significance of employees to the success of the brand, so they have built all their practices around the simple fact that "in order to take care of customers, you must first take care of those who take care of customers; satisfied employees deliver high service value, which then creates satisfied customers" (Papasolomou, 2006:39). That is how they come up with their motto "*we are ladies and gentlemen serving ladies and gentlemen*" which apparently seeks and aims recognition, satisfaction and respect for both external and internal customers.

As all of the interviewees have concurred upon, RCI's internal branding process begins with *employee selection*. First of all, even before interviewing, human resources people tell candidates about the Ritz-Carlton brand, what it symbolizes and the role of employees within the context of its branding. Human resources supervisor tells that this is indispensable, done very deliberately and is especially important for creating brand awareness among the people who intend to work for the hospitality sector. If a candidate passes through the initial interviewing sessions with several managers including the general manager, s/he takes a test which is called QSP (Quality Selection Process). This oral test is specifically designed for the Ritz-Carlton hotels by an American consultancy firm called Talent+, and the exact same test

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(Mitchell, 2002:99)   **27**

Respondent's Department & Title	Interview Date	Interview Length	Age	Sex	Tenure in RCI	Tenure in Hospitality	Main Issues Discussed
Marketing manager	February 22nd, 2007	54 min.	27	F	3.5 years	4 years	*RCI's brand-driven culture *Importance of internal branding for RCI *Aligning customer expectations with brand delivery
Sales coordinator	February 22nd, 2007	65 min.	27	M	1 year	3 years	*RCI's principles of and success in recruitment *Reasons for the strength of RCI brand and culture *RCI brand's effects on employees' every-day lives
Housekeeping manager	February 24th, 2007	73 min.	39	M	6 years	19 years	*Employee engagement in RCI brand *Importance of consistency in branding *How Ritz-Carlton brand was originally formulated
Former shift leader	March 13th, 2007	88 min.	32	F	3.5 years	6 years	*RCI management philosophy *Parallelism between organizational and brand values *Competitors' brands and internal branding practices
Human resources supervisor	March 16th, 2007	41 min.	26	M	3 years	4 years	*RCI's entire internal branding process *RCI's internal branding tools *RCI's emphasis on employee satisfaction
Former purchasing agent	March 23rd, 2007	53 min.	22	M	8 months	1.5 years	*RCI's mentality *Branding is inherent in all job descriptions. *Competitors' brands and internal branding practices
Reservations coordinator	March 27th, 2007	43 min.	27	M	3 months	1 year	*Importance of leadership in realizing the brand *RCI's emphasis on employee satisfaction *RCI's value attachment to employees
Former assistant sales manager	March 27th, 2007	71 min.	28	M	2 years	7 years	*Internal branding in crisis situations *Effects of owner-operator relationship on branding *Competitors' brands and internal branding practices
Former spa attendant	April 2nd, 2007	62 min.	34	M	2 months	2 months	*RCI's management philosophy *Internal branding in crisis situations
Human resources director	April 6th, 2007	58 min.	52	F	2 years	5 years	*Human resources department's role in internal branding *RCI's recruitment criteria and process in line with internal branding *Great emphasis on employees

Table 5.1 Interviews in Brief

"You tell customers what makes you great. Do your employees know?"
(Mitchell, 2002:99)

is used all around the world among the chain. QSP is strictly about *personality traits*, talents and competencies; it does not test job skills or previous experience. It evaluates 13 different competencies, and these competencies are assessed with different coefficients for different positions and levels since, for instance, the competency of sociability has a greater weight for a potential receptionist than an accountant, or a manager has to have more competencies than a line employee. In QSP, every position has its own theme measured by the candidates' performance graphs. Thus, for each position, there are position-specific competencies that are sought, and if a person scores high in most competencies but low in the intended competencies, then, that person is either rejected totally or considered for the position that better fits his already existing competencies. Roughly, they are looking for people who are smiley, proactive, dynamic, constructive, creative, responsible and who enjoy serving others. QSP is a very detailed questionnaire, and it is found very professional and apt as a filtering mechanism for eliminating people who would not be able to adjust to The Ritz-Carlton culture.

Nine respondents cited that they knew of people who were rejected without hesitation due to scoring low on QSP even though they had perfect résumés; RCI believes that a job can be learned, but personal traits and talents cannot –they are what they are. This is why they call it "talent-based selection." *Hence, QSP is a crucial tool in matching RCI's employees' personal values to the brand and the organizational values.*

Let us say a candidate is selected ('select' is the word they use, not 'hire,' due to their elaborate elimination process) after passing several interviews with the human resources supervisor, director, his/her future manager and the general manager and scoring high on QSP. The next stage is a two-day orientation without which nobody can greet a guest or answer the phone; everyone goes through this detailed and highly explanatory orientation before getting up on 'stage.' For the next two days, a group of new employees are welcomed by RCI's executive committee in the hotel's fancy restaurant and in their luxurious conference halls being treated like guests. Members of the executive committee and the human resources department explain them in full detail (1) the history of The Ritz-Carlton Hotel Company starting from the late 19th century with César Ritz, (2) brand values and the promise that they make to their customers, (3) why The Ritz-Carlton brand is essential and indispensable, (4) general operations and performance evaluation processes, (5) RCI-specific information eg. the number of rooms, type of rooms, target market, etc., (6) the competitive advantage of RCI, (7) importance of customer emotional engagement and brand loyalty, and (8) every single word and principle on the credo card (Figure 5.1) that each and every Ritz-Carlton employee in the world is <u>obliged</u> to carry in their pockets at work. This credo card which is called "The Gold Standards" is a two-sided card that is about 8.5 x 17.5cm – accordion-fold to 4.5 x 8.5 cm, pocket size, and it summarizes the essence of The Ritz-Carlton philosophy and values. As seen on the next page, on one side, it has Ritz-Carlton's three steps of service, motto, employee promise and credo, and on the other side, it has their 12 service values and The Ritz-Carlton Mystique diamond. *This card, which is exactly the same all over the world, is one of their major internal branding tools as it converts their brand promise into a behavioral, emotional and attitudinal guide for the employees.* For instance, as RCI's human resources director recounts, during the orientation, the employee promise is thoroughly explicated by clearing the meaning of those three sentences, the offered and promised product and service, the mission and vision of RCI, their objectives, their positioning and the role of employees in all; "as human resources staff, we tell them what we pledge to our external *and* internal customers by going over these word by word." At the end of the orientation, all the participants have a clear idea about what customers expect from RCI and what RCI expects from them. The attendees leave with an orientation booklet which is about 75 pages that covers all that is told during these two days, legislation and answers to possible questions about the hotel, daily operations, rules and regulations. This booklet is described as a useful reference point that employees turn to with highly relevant information.

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The next tool that newcomers are introduced with is daily meetings called "line-ups." Line-ups are daily departmental gatherings during which a two-page document that is called "Commitment to Quality" is read out loud. The first page of this document is prepared and distributed by the headquarters in the US to all Ritz-Carlton hotels around the world. It covers (1) the "wow story" of the day which is a case where a Ritz-Carlton employee has gone beyond the limits to please a customer that are described as best practices (eg. a customer had forgotten his medication at the hotel and went back home, and when he called the hotel to say that, an employee drove several hundred kilometers to take his pills to him after his shift); (2) the "service value" of the day, which is one of the twelve values on the credo card, that should be read, gone over and discussed with individual examples among employees; and (3) corporate news that pertain to all Ritz-Carlton employees. On the second page, there are hotel-specific information, announcements and news like customers and groups staying at the hotel, events, functions, night manager of the day, daily occupancy, etc. that are put together by the human resources department. What differentiates line-ups from regular daily meetings that most companies have is the fact that besides being an internal communication tool, it is also an internal branding tool that keeps the brand, culture and quality alive and a part of the daily affairs. All the respondents have stated that line-ups are one of the most important internal branding tools since the fact that they repeat the values every day and talk about the brand, motto, credo, etc. facilitates emotional engagement to the hotel and the brand on the employee side. Since it is always a discussion topic and a part of their work, it stays fresh and becomes reality rather than some written formality.
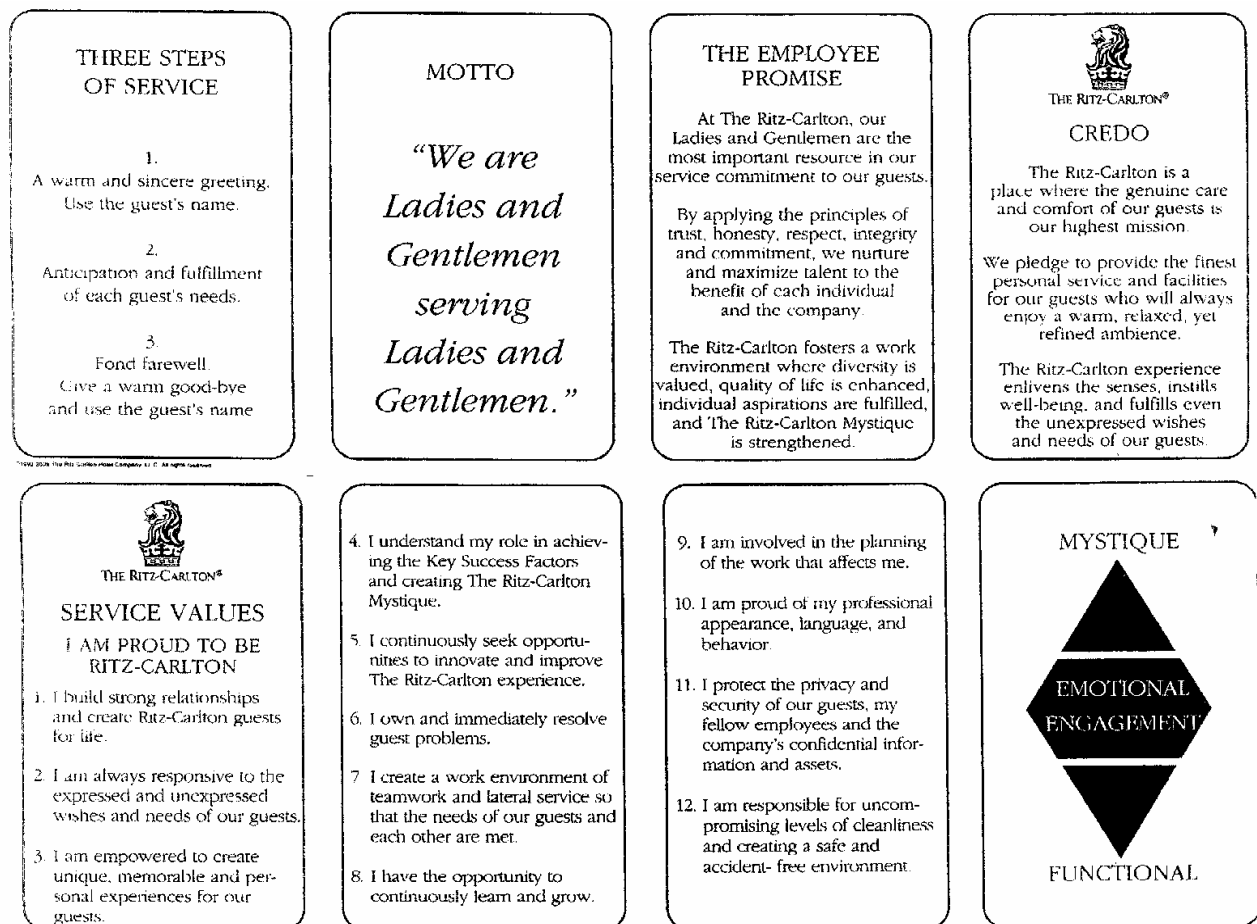

Figure 5.1 The Ritz-Carlton Credo Card

"You tell customers what makes you great. Do your employees know?"
(Mitchell, 2002:99)   **30**

Moreover, there is an ongoing training process at RCI. First of all, there is the "Day 21" training where the employee is quizzed about what s/he has learned about the brand, organization, culture, values and operations besides being assessed about if s/he feels comfortable, adapted and at peace with the culture after his/her 21st day at the hotel is over. Then, there is the "Day 365" training, other various trainings offered throughout the year, self-study documents, performance appraisal reviews and employee engagement surveys. As indicated by the human resources supervisor and director, the main focus of these assessments, reviews and evaluations are definitely the *compatibility* between employees and the culture; training, development and improvement opportunities are vast as long as that person's personal traits go hand in hand with the brand and the liabilities the brand brings about.

Last but not the least, *leadership* and *guidance* are central to the internal branding process. All employees are encouraged and advised to select at least one role model and follow their steps in realizing the motto, credo and the service values. Managers and supervisors are immediate sources of information and reference; when employees have a question about how to accommodate a certain service value in their daily routine, their superiors have the ability, knowledge base and authority to guide them. Interviewed sales and reservations coordinators state that at the beginning they learned how to behave in accordance with the brand and how to act as brand ambassadors from their or other managers; thus, leadership is another key tool for internal brand management at RCI.

RCI is well aware of the fact that without achieving employee satisfaction, it is impossible to attain customer satisfaction. Similarly, they understand that they cannot deliver the Ritz-Carlton brand to their target market if their employees do not believe in it and/or do not know about it. With these realizations, Ritz-Carlton adopted the idea of prioritizing employee satisfaction, training and development.

Obviously, after making the right selection and achieving the right fit, in order to render employees emotionally-engaged, it is essential to get them to believe in the brand that they are working for. Hence, RCI has elaborate practices concerning informing and training their employees about what the Ritz-Carlton brand symbolizes and how their individual jobs relate to it.

Next, internal branding practices of RCI will be evaluated according to the supportive and critical perspectives that were previously elucidated. In order to find an answer to the three research questions of this study, RCI's processes will be assessed by each sustaining argument of these two perspectives to figure out (1) how relevant and helpful or redundant internal branding has proven to be for RCI's entire brand management process, (2) how susceptible RCI's internal branding practices are to misinterpretation and misapplication, and finally, (3) how congruent the theory and practice are regarding the relevance of internal branding.

4. Case Analysis

In the following section, in order to separate findings from the analysis, a different typing format will be used. Although this is a somewhat unconventional method for a thesis, it is appropriate for such a research conducted through in-depth interviews since it is highly essential to refer to the interview content just prior or subsequent to the analysis and the references to the literature in order to make it clear for the reader about the connections and deductions made. It would be possible to have separated the interview content like it is done previously when the internal branding process of RCI is recounted; however, when analyzing this process according to the supportive and critical perspectives, it would be necessary to *recite* what had been declared by the interviewees, and hence, there would be a great amount of repetition. Obviously, it is difficult to analyze the empirical findings without referring to

"You tell customers what makes you great. Do your employees know?"
(Mitchell, 2002:99)

the content of the interviews; thus, for the sake of clarity and avoidance of repetition, opinions, judgments and information provided by the respondents that are directly used are typed in *italic*, and the analysis is in the straight format. This way, the analysis and the points made are more comprehensible, less ambiguous and better justified.

I. Supportive Perspective

S1. Culture precedes image.

For a service business, it is hard to think otherwise. If a hotel is intending to establish a strong brand, first, it has to set its culture right because service is the key concept for the branding of an accommodation unit, and basically, on the inside, culture equals employees, and on the outside, employees equal service. The Ritz-Carlton Hotel Company is very much aware of this fact which is why they have adopted The Gallup Path, formulated and been implementing all those tools that were described above. This is true for RCI as well; this organization does not advertise anything that it does not have inherently. That is to say, they are true believers and followers of *identity-based brand management* (Please refer to p.7).

For almost a decade, the Ritz-Carlton hotels have their own specific culture which was put into words and formulized in the early 80's, and since then, at each and every hotel opening, that culture is brought to that new hotel with (1) all written formal documents about how Ritz-Carlton works (2) and about 60 senior managers, general managers and regional managers from other Ritz-Carlton hotels in the vicinity present to 'select' employees, train them, open up the hotel and put things into the track. As interviewees who were on the start-up team express, majority of the staff was recruited a few months before the opening, and all of them, <u>with</u> *the senior expatriate team, practically put the hotel together by placing lamps in the rooms, making beds, wiping windows, etc.* Obviously, this was not their duty, but doing this gave them a possessive feeling over the hotel, an emotional bond, like it was their home which they were building. Apparently, it was especially inspiring and motivating to do this with foreign Ritz-Carlton veterans. *RCI's housekeeping manager, who was the assistant front office manager back then, recalls that when he was wiping the windows of a guest room, a tall man came in and started wiping where he could not reach. Later on, he learned that that tall man was the front office manager of The Ritz-Carlton in Hong Kong.* Evidently, the management did <u>not</u> make them do all those things because they could not afford a cleaning crew; it was a deliberate action to emphasize the flat organizational structure and to assure *emotional engagement* on the employee side. This way, they would treat customers like a guest at home, host them wholeheartedly and provide them a true Ritz-Carlton brand experience.

To assure that newly-recruited employees can make a perfect match with the brand and meet all the expectations regarding the brand, as mentioned previously, QSP is used. When initially developing this meticulous test; the traits, competencies and characteristics of the best and the most successful Ritz-Carlton employees were studied and benchmarked. This test is comprised of open-ended questions trying to discover candidates' personalities via questions like "do you smile a lot," "could you give an example about how far you went for the wishes of a guest visiting you at home," etc. There is not any question such as "tell me how you solved a problem at your previous workplace" because they want to know how that person is *outside* of work in his/her daily life so that s/he provides service naturally and unforced. *RCI's human resources director emphasizes that their selection focuses on personal values and talent since "these things cannot be taught; we look for people who genuinely enjoy contact with people and helping others." As RCI's marketing manager tells, what they are trying to assess with the QSP is whether that person is fit for working for the Ritz-Carlton brand in terms of his/her mentality and attitudes; the basic frame of mind is if a*

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candidate has these inherently, previous work experience is not that relevant –RCI can always train and develop him/her about work-related issues. Their sales coordinator thinks this ensures that the brand promise is viable, service is sincere and that all the employees are true 'ladies and gentlemen' –it is not a costume or mask that they put on when they come to work.

The fact that so many people with similar values have come together is sufficient proof for the strength of RCI's culture. *All respondents concur that RCI has a very powerful culture; their housekeeping manager relates this to the similarity of their minds of state, the sales coordinator stresses that there is not another 5-star hotel in Ritz-Carlton's class with such a strong and settled organizational culture, and having worked in most of the hotels in that class and relying on his past and current experiences, RCI's former assistant sales manager shares a similar opinion stating that RCI is one of the two best hotels he worked for in means of organizational culture and brand.*

Basically, by this detailed screening process, they *shape* the culture rather than waiting to see what kind of a mix employees would create. They want a specific type of person with specific values that would match their brand values. So, at the end, the organizational culture is manipulated to some extent –it is not totally natural, but RCI makes sure they are not "putting the cart before the horse" in Kapferer's (2004) words, and they ascertain that their brand, being based on their identity, is a product of their culture.

Taking this identity-based brand management one step further, last year, Ritz-Carlton has very aptly changed their service values. *Previously, there were 20 service basics that sounded more like rules and orders such as "never lose a guest," "always maintain positive eye contact," "always speak positively," etc. (Please see Appendix V). In summer 2006, these were refined and paraphrased into 12 service values (Figure 5.1) all of which start with "I" under the caption of "I am proud to be Ritz-Carlton."* Turning the basics into first-person speech emphasizes the identity and personality of each employee <u>and</u> the organization as a whole because now, those points are <u>not</u> impositions coming from the management but reflections of who they are and what they already do.

This concept of personalization, internalizing and making the brand values one's own has become popular after Ritz-Carlton. In a recent article, it is mentioned that Dana Corp, a Brazilian supplier of vehicle and engine technologies, has "developed" the slogan "Dana is me," asked employees for their own stories about why Dana is them and shared these stories through the company newsletter all of which sound very much like the practices of Ritz-Carlton. Dana's corporate communications manager says that this practice has "boosted morale, increased productivity and drawn the leaders closer to their teams" (Champ et al, 2007:14). Similarly, The Absa Group, a South African financial services organization, has recently launched a branding exercise named "I am Absa and proud of it" that entails workshops, manuals, video materials, etc. which has reportedly improved "staff ownership of the brand and changed mind-sets for the better." (Champ et al, 2007:14).

With a similar line of thought, the parallelism between organizational values and core values has a great bearing on how customers will be treated (Speak, 2003); if Ritz-Carlton employees are expected to serve customers like 'ladies and gentlemen' (core values), but on the inside, if they feel neglected and unappreciated due to how they are treated by the management and by their colleagues (organizational values), then, they cannot keep up the high level of service because of this double standard. *RCI's housekeeping manager, who has been working in hospitality for almost 20 years now, reckons this is the point where RCI differs from the rest; "all 5-star hotels have to comply specific standards, but here there is this mentality that sets RCI apart from all: the management is very protective and possessive –they try to please and satisfy employees as well as*

"You tell customers what makes you great. Do your employees know?"
(Mitchell, 2002:99)

guests" (all Ritz-Carlton employees are obliged to refer to customers as 'guests,' and even their former employees still keep doing this). He says he has witnessed here a unique point of view in human resources management which is verified by the human resources director.* This feeling of equality, being acknowledged and cared about makes the brand even more believable by the employees; it adds a true sense into their motto "we are ladies and gentlemen serving ladies and gentlemen" as they are treated like ladies and gentlemen, too.

The general manager of The Ritz-Carlton in Shanghai affirms that their promise is to take care of, trust and develop their staff (Yeung, 2006), and RCI's human resources director fully confirms this. All these recounted above also take place in Ritz-Carlton's employee promise and service values; in the employee promise, it says "By applying the principles of trust, honesty, respect, integrity and commitment, we nurture and maximize talent to the benefit of each individual and the company," and "The Ritz-Carlton fosters a work environment where diversity is valued, quality of life is enhanced, individual aspirations are fulfilled, and The Ritz-Carlton Mystique is strengthened." Similarly, in the service values, the seventh item is "I create a work environment of teamwork and lateral service so that the needs of our guests and each other are met." Evidently, these statements summarize the reasoning behind the events accounted for above; still, it is nice to see them actually applied rather than stay on paper.

Apparently, RCI has successfully aligned their "strategic stars" (Hatch et al, 2001:10); they have a solid culture, and they have a brand that is reflective of that culture with the bridge of corporate identity in between. They have hardworking and powerful headquarters constantly working and trying to evolve the course of internal practices in line with their strategic vision; moreover, they have the employee base that is eager and equipped to render whatever is expected of them. Besides their target market recognizing them as the provider of elegant high-class service, they have also achieved to be an employer brand; *all the interviewees agree upon the notion that for an hotelier, Ritz-Carlton is the dream workplace.* Many people think that hotel management can be learned properly only in Ritz-Carlton, and this shows that they are actually externally branding their internal branding.

All respondents believe that The Ritz-Carlton brand is very solid and sensible which they can feel every single day. Their Gold Standards, motto, credo and service values are pretty much internalized by everyone, and as RCI's marketing manager expresses, if an employee cannot or does not keep up with those, s/he will feel left out and unhappy since the majority is naturally and inherently realizing them –not like strict rules to follow. Organizational culture has an underrated but vital role in branding; as Howard Schultz, the chairman of Starbucks, says "brand has to start with the culture and naturally extend to customers" (Bergstrom et al, 2002:137). RCI is a very good example to see these words come to living. If tried to apply their practices and processes concerning branding to another hotel in Ritz-Carlton's class, it would not stick because without the inner structure, the employee base, atmosphere, this mentality and management philosophy, those practices do not mean anything. *For instance, the former purchasing agent of RCI states that in another 5-star hotel that he used to work, they copied Ritz-Carlton's credo card, but it did not have much meaning because the management mentality did not go with it, so it felt forced and artificial. RCI's former shift leader tells that in her current workplace, she tried to implement some of what she had learned at RCI, but she could not manage since for her to meaningfully achieve what RCI has achieved, hotel management has to believe in it.* Otherwise, it is a Don Quixote-esque attempt. That is to say, without the proper organizational culture within, Ritz-Carlton brand on paper would not mean much; hence, generalizing from this case, internal branding is a must for successful external branding.

"You tell customers what makes you great. Do your employees know?"
(Mitchell, 2002:99)

S2. Inevitability of the Human Factor

The Ritz-Carlton Employee Promise begins: "At The Ritz-Carlton, our Ladies and Gentlemen are the most important resource in our service commitment to our guests" which basically means their employees are their most important asset. As mentioned previously, for hotels in Ritz-Carlton's class in Istanbul, physical attributes are pretty much the same; they have approximately the same number of rooms, they are lavishly decorated, they have nice restaurants, etc. *However, as RCI's former shift leader points out, when it comes to ensuring brand loyalty; service and employees create the difference.* Hence, employees must (1) believe in and think highly of the brand, (2) be capable, willing and motivated to deliver it to the customers and (3) know how to do this in order to realize the brand promise. So, obviously, the human factor is crucial in branding for service businesses.

RCI is well-aware of this fact. Their efforts in this course begin with their attempts to become one of the top employer brands so that their potential workforce idealizes them even before embarking the hotel. For instance, in the top 20 Best Employers in Asia 2007 ranking of Hewitt Associates, there are two Ritz-Carlton hotels one of which is placed as the second runner-up (Hewitt Associates, 2007). There is not such a rating in Turkey; still, RCI is closely working on this issue. *For instance, last year, they have started to grant scholarships to two students attending the Tourism Administration department of one of the top universities of the nation with the obligation of doing their compulsory internship in RCI* which is usually not regarded as an obligation but a big break since almost all tourism administration students in Istanbul believe that RCI is the school to learn 5-star city hotel management.

As was discussed in detail previously, after employees are recruited, then starts the never-stopping brand training. RCI's human resources director tells that whatever the training, meetings or line-ups are about, the core issue is the Ritz-Carlton brand. And at the end of the day, all employees believe and get invested in this brand since it is almost turned into a tangible asset that they refer to at every step of the operation. *All interviewees, even the former employees of RCI, confidently declared that they believe in the Ritz-Carlton brand and are/were motivated to convey the brand message without hesitation; all of them believe that it is very solid, established and true with some sort of a guidance function as well as its descriptive purpose. RCI's housekeeping manager tells that not only the staff on payroll but also the extra line employees like busboys, maids, bellboys, etc., who are temporarily recruited during the high season, feel closely connected to and involved with the brand. As a result of all these, employee satisfaction rate comes out to be 90%, and turnover rate is 13%.*

RCI is successful in emotionally engaging people in the hotel and the brand. When looking deeper into the issue, it is realized that there are different levels and reasons as to why employees feel so much connected that they feel no shame, regret or hesitation when they say "I am proud to be Ritz-Carlton." Basically, there are two types of engagement –*professional* and *personal*. Higher level of employees like managers and second-level back office employees are trained and informed in such a way that they come to believe that the necessary and the most appropriate course to convey the Ritz-Carlton brand is also the best way of doing business and being successful employees with high performance levels. Thus, they are not only told that they have to carry around those credo cards and refer to them because they are obliged to do it for the sake of the brand or just as a formality but also taught that properly carrying out that total brand package of the service values, the three steps of service and the employee promise ensures elevated levels of success as a hotelier professionally. This is where The Ritz-Carlton is differentiated as a 'school.' On the other hand, for the lower levels of staff that does not have that ambitious and deep career expectations if they have any, the engagement becomes personal. RCI uses the emotional and collectivist background of Turkish people who are also very hospitable in their daily lives and

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(Mitchell, 2002:99)

asks their employees to take these qualities to work; actually, the kind of behavior described by the Gold Standards are how Turkish people treat their families and friends. Thus, RCI encourages line employees to regard their workplace as their home, their peers as family and the customers as guests, and obviously, they are pretty successful at it from all that has been told. At the end, professional or personal, RCI gets to make the majority of its staff follow the desired course of operation, *modus operandi*, in terms of branding.

DeChernatony (2004) has a point when stating that brands will become stronger when they build on brand building skills of their entire employee base. This is very true for RCI. There is no such title as brand manager in RCI, and *when asked about the possible problems this might bring about, the former assistant sales manager indicated that <u>all</u> RCI employees are brand managers*; this mindset is the reasoning behind the strong emphasis on the Ritz-Carlton brand, intense orientation, busy training schedule and repetition of service values every morning. Scheduling, organizing and training RCI employees, the human resources director is the *inside brand manager* of RCI; she is the one internally branding RCI employees. One of the main points of this process is notifying employees that marketing and branding are major items in their job descriptions no matter what their title is. Employees' individual branding activities can be called <u>360-degrees branding</u> since customers are not the only recipients of these efforts; they are addressed to customers, colleagues, suppliers, kin, acquaintances and complete outsiders. *A relevant example comes from RCI's former purchasing agent who tells about suppliers that complain about other hotels which they transact with and overtly express that there is not another hotel purchasing department which is comprised of people who are true ladies and gentlemen and who work as properly as RCI's. Moreover, RCI's sales coordinator recounts that after he got the habit of escorting customers to their desired destination (Ritz-Carlton has this rule of never pointing out directions to a customer who wants to go to any area of the hotel –they have to take that customer wherever s/he wants to go, breaking away from their regular duties if necessary), he cannot stop himself but escort total strangers outside of work to where they want to go, within reasonable limits of course.* RCI is in a constant effort to make and remind employees that they are their major branding tool 24/7; as Bergstrom et al (2002:139) put it, "it is people not advertising that is at the core of a brand." Actually, in its class, Ritz-Carlton is the brand with least advertising with none on TV and radio and very limited on printed media (Cai et al, 2004) which shows the trust, emphasis and responsibility they grant employees for branding purposes.

In the end, the main objective is to make employees true <u>brand ambassadors</u>. This is a term that comes up often in sources about internal branding, but there is a good chance that the Ritz-Carlton was one of the first to use and realize it as it used be one of the 20 service basics up until Summer 2006 when they were refined; "Be an ambassador of your hotel in and outside of the workplace." According to Didriksen (2003), in order to create effective brand ambassadors, companies must <u>motivate</u> and <u>align</u> their employees which is exactly what RCI is doing. As for motivation, as explained earlier in detail, flat organizational structure; successful recruitment of people with similar values; motivational leadership; caring, appreciative and nurturing environment; open-door policy; and friendly atmosphere with efficient teamwork are imperative factors to realize motivation.

RCI motivates its employees in the above-mentioned ways. About aligning, they use such tools as line-ups (*which are also regarded as a motivational tool by their housekeeping manager and the reservations coordinator*), orientation, trainings, the credo, motto and service values. The important point here is that <u>all</u> employees go through these no matter if they are working at customer contact points or at the back office where they may not get to correspond to any customers at all. The entire employee base is put through the same internal branding process which aligns them and ensures consistency. This is another indicator of the 360-degrees branding RCI has adopted; employees take the brand wherever

they go and whomever they deal with, so anything they do in any circumstance and any milieu tells something about the brand that they are working for. That is why the entire employee base is included in internal branding practices.

Every single gesture or word of employees has an effect on how customers identify the brand; thus, as Schultz (2004a) puts it, letting brands communicate through employees should not be an option but the definite course of action. For hospitality, this is truly a must; without employees properly serving as ambassadors or corporate identity carriers, their brand does not have too much of a chance. Thus, companies must make sure that their branding processes are known, supported and implemented by their employees because obviously, services are branded through people.

S3. Employees need guidance about how to behave in accordance with their brand.
Branding is not a formality for RCI and for all the Ritz-Carlton hotels for that matter; it is the way of doing business. What differentiates RCI from many others is that they have a solid structure and established processes to guide their employees in order to reach this objective. Overall, RCI's internal branding tools that guide employees about how to realize the brand and effectively relate their jobs to "the delivery of the brand essence" (Bergstrom et al, 2002:135) *are the orientation process, the orientation booklet, line-ups and 'Commitment to Quality' documents that are read during the line-ups, Day 21 and Day 365 trainings, annual training certification that each employee has to complete, EES (employee engagement survey), credo, employee promise, service values, bulletin boards of each department and internal communication systems.*

Other than these formal tools, there is leadership which is one of the most important tools of all. The importance of leadership in this context begins with orientation which is provided by the members of the 'guidance team' -means executive committee in the Ritz-Carlton jargon- for the newcomers. RCI's human resources director believes that the guidance team holds the key position as to guide the entire employee base about branding as its name aptly implies. Other than that, there are department managers and directors who guide and help employees on a departmental level playing the role model for his/her immediate subordinates as a proficient brand ambassador. Leaders are extremely important in such attitudinal conduct; employees, especially the new ones, always seek a prosperous role model to look up to and imitate when doing business. As much as these written processes give employees an idea as to what is expected of them, to efficiently realize these expectations, they need someone to set the tone for them to follow. According to Vallaster et al (2004), in such situations, leaders are "mediators between corporate branding structures and employees" and "energizers to facilitate internal brand building" (p.73). Henry Mintzberg draws attention to the fact that effective leaders are the ones providing inspiration rather than supervision; "when employees are effectively led (rather than tightly controlled), they become the most effective people to manage the processes" (Dube et al, 1999:36). *RCI's former shift leader points out to the fact that all companies give orientations laying out the rules and the goals, but if there is not a role model in motion, it would be hard to get employees to realize those aspirations. What their former assistant sales manager liked the most about the leadership in RCI was that instead of retributional practices when there was misapplication and/or misinterpretation, there was relentless guidance, encouragement and motivation to do the best. Reservations coordinator thinks he learns more through observing employees of higher rank and tenure than sitting at a training session because when actually* witnessing *that type of behavior, employees learn from it, and they are motivated by it. There is a spill-over effect of such behavior, and for RCI's marketing manager, this is the true essence of their hotel where they have an established workforce, with a very low turnover rate, who have internalized the brand identity*

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reflecting it through their every single move and passing it onto the new comers, trainees and extras.

When asked about the most effective internal branding tool, there were different answers. The former assistant sales manager says that the leadership and guidance he garnered from managers and directors who got the legendary opening training were priceless. He believes that the most important point here is <u>constant</u> *guidance without resting –clearing expectations and modes of behavior repeatedly if necessary, exemplifying them all the time, providing feedback as to how well it is done and doing these all the time for all newcomers. RCI's reservations coordinator loves the line-ups the most; he thinks it feels different and powerful to be reminded of the service values every single day,* and the general manager of The Ritz-Carlton Dearborn, Michigan deeply agrees with him (Lampton, 2003). *The former purchasing agent considers the credo card as a significant tool not only because all of them keep it in their pockets and take it wherever they go but also because that is a solid reference point with the winning formula –*as previously mentioned, this is not a myth but the brand basics accounted for in practicable and attitudinal fashion.

This constant guidance also ensures *consistency* which is vital for service businesses; according to the study of DeChernatony et al (2003) about the priorities of many service branding consultants, consistency came second out of twelve factors. *RCI's marketing manager underlines the significance of and the necessity for practicing the credo and the 12 service values nonstop since it is especially essential for multinational companies to hold up the brand image, which is reflected onto the outsiders, on the inside. She states that they cannot afford to do it otherwise when customers' expectations of The Ritz-Carlton are at such an elevated level, and if people who are actually delivering the services are not informed or motivated enough, then, it is impossible for them to reach the standards that they are aiming for. In this context, the housekeeping manager thinks line-ups are important also in the sense that they ascertain consistency* <u>internationally</u> *since the same 'Commitment to Quality' is read each and every morning at all Ritz-Carlton hotels around the world which helps the entire Ritz-Carlton employee base to be on the same page with all the news and practices. RCI's human resources supervisor points out that in order to achieve consistency throughout the hotel, they do not cut back on the orientation and training processes of extras and trainees with the thinking that it would be an unnecessary waste of resources since they are temporary workforce.* As they are serving the same customers and in line with the understanding of 360-degrees branding which means every Ritz-Carlton employee is a brand ambassador 24/7, they explain and impose the Ritz-Carlton culture to everyone who is recruited no matter what the estimated tenure will be.

In this guidance and training process regarding internal branding, human resources department plays a crucial role because, as Aurand et al (2005) express, brand managers and marketers can outline strategies but without the involvement of human resources staff, implementation of these strategies will fall short, and it will not be possible to properly guide employees as how to realize the brand, relate it to their individual jobs and understand what impact they have on it; thus, the brand management process will be deficient:

> By involving HR in internal branding projects, firms can better use internal communications, give employees a deeper understanding of the brand and the role that employees play in enhancing the brand promise, and reduce brand positioning confusion resulting from misaligned messages. (p.168)

Although firms have started to recognize this need, there is still room to improve the human resources involvement in branding for the majority of the business world (Martin et al, 2005). Very farsightedly, Ritz-Carlton has been appointing human resources directors as inside brand managers for more than ten years now. Plus, it should be noted that the

"You tell customers what makes you great. Do your employees know?"
(Mitchell, 2002:99)

recruitment process, QSP and selection criteria are also internal branding tools that guide human resources department about assessing candidates' compatibility with the Ritz-Carlton brand and culture.

S4. Avoiding Contradictory Communications
In their study, Bergstrom et al (2002) name "communicating the brand effectively to the employees" as the first item that internal branding refers to (p.136). Similarly, Vallaster et al (2003) point out that JetBlue's, an airline company, major tool to enhance internal brand commitment is communication. It is true that outward communication is essential for branding, but if that outward communication is not paralleled with inward communication - that is informing employees about what the brand is, what significance it has for their jobs, how to realize it and why should they work for the sake of it- then, it does not mean much.

For RCI, internal communication is definitely a priority. *RCI's marketing manager believes that if employees are left out of the branding process, then, there is no way of succeeding and reaching the targeted standards. Their human resources supervisor states that in order to effectively reflect out the brand, employees have to be informed about everything; that is why they tell insiders first and then deliver it to the outsiders which is the correct order of communication.*

RCI has many communication tools. Actually, generally speaking, almost all their internal branding tools that were explained previously seek communicative purposes. As mentioned earlier, it all starts with the initial screening process where they tell candidates about the Ritz-Carlton brand no matter how weak their recruitment potential is; the objective is to create brand awareness in as many people as possible (in line with 360-degree branding) by communicating the essence of the Ritz-Carlton brand. QSP is also a communication tool giving candidates some kind of an idea of the type of person RCI wants to represent its brand and how professionally they handle this situation. *Other internal communication tools are orientation, trainings, line-ups, collective employee assemblies every three months, intensely used e-mails and departmental bulletin boards.*

Above all, weekly collective and daily departmental line-ups are probably the most important communication tool for internal branding purposes. First of all, its content bears great significance for consistency among the whole chain <u>and</u> the departments of RCI. 'Commitment to Quality' assures there is a standard message every Ritz-Carlton employee receives every morning through hearing exemplary practices in 'wow stories' and discussing the service value of the day with each employee's contribution as how to realize that value. Plus, sharing information about customers, events, daily occupancy rate and such company news (1) avoids making poor decisions or mistakes, (2) boosts morale as a motivator and (3) relieves workplace stress (Amidon, 2005). *RCI's sales coordinator thinks line-ups are very constructive, productive and well-designed. When best practices coming from anywhere on the world are shared every morning, it feels like it has happened right next to them, and the fact that each and every organizational step taken on the inside is communicated to the entire employee base is very empowering and connecting. He feels that this is where the importance of the Ritz-Carlton brand lies; they never leave employees behind following an all-encompassing communication approach.*

RCI has a very pertinent communication strategy; they have set their priorities right about this issue. They have a very efficient company-wide communication system, the importance of which Aaker et al (1999) cannot stress enough, that keeps the Ritz-Carlton brand from being detached and separated from the entire workforce. Plus, by practicing daily line-ups, they remind their employees on and on about their commitments and promises just like Christensen et al (1999) suggest. Hence, communication successfully serves in means of both cognitive (as employees are very well-informed about the brand and their involvement with

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(Mitchell, 2002:99)   **39**

it) and affective (as employees are motivated by identifying themselves as a part of the strong Ritz-Carlton brand and entity). That is to say, RCI makes very good use of communication as an internal branding tool <u>and</u> internal branding as a communication tool. As the general manager of The Ritz-Carlton Dearborn, Michigan puts it effective communication is the reason why things work (Lampton, 2003).

<u>S5. Internal branding facilitates word of mouth.</u>
Word of mouth might be an underused marketing tool in general as Bloom (2003) says, but it is quite effectively used by RCI by encouraging both employees and customers about spreading the word. In line with 360-degree branding, RCI employees are believed to take their brand wherever they go; accordingly, management provides the appropriate background for them to properly represent their brand verbally and non-verbally. *As stated earlier, all respondents are true believers of the Ritz-Carlton brand -even RCI's former employees, and they say that they are not exceptions; if asked, all RCI employees would speak enthusiastically about their hotel.* Thus, the good part is that RCI does not leave them unguided after asking them to create word of mouth; they are trained and informed about what to say, but it is more internalized than memorized, so it does not sound forced or forged –on the contrary, they sound sincere and reliable.

RCI both explicitly and implicitly asks for their employees to create word of mouth. First of all, since they talk about the brand, the inspiring 'wow stories,' their credo, motto, service values, etc. every single day; they truly learn, believe in and internalize these concepts, so, *as the housekeeping manager, marketing manager, former purchasing agent and former shift leader state, it comes naturally, and they sincerely spread the word about their services, hotel and brand. Secondly, RCI's sales coordinator and human resources supervisor recount that, for instance, when they have a new service, RCI encourages their employees to try it for free and ask them to tell about it to their business contacts, acquaintances, friends and family. The management overtly notifies them that they should speak favorably about the hotel outside and promote it at every possible instance.*

Moreover, RCI employees do publicize their internal branding as well as the hotel services. When they go tell others their contentment about working for RCI, how pleasant the work environment is, how strong and distinctive the management philosophy is, etc., it gives outsiders the feeling that if the organization is good enough to please its employees and if the employees are that content and satisfied, then they most probably make <u>their customers</u> as content and satisfied. Besides, employees are encouraged to disseminate their credo cards to anyone; at every interview, each respondent offered to give theirs and added that they are free and encouraged to do so. Thus, this is another place where internal branding works for the sake of RCI –as a marketing tool.

<u>S6. Internal Branding's Significance with Regard to Brand Valuation</u>
As explained earlier, the level of value attachment on the employees' side mean a lot to a brand's total brand value, and its significance is even greater when the subject is a service business since the value an employee appraises for the brand s/he is working for has a direct effect on how that employee delivers that brand. Evidently, RCI has achieved getting their workforce's support about this.

RCI's former assistant sales manager expresses that RCI was like a school which made him a better hotelier; and reservations coordinator, housekeeping manager, former purchasing agent and former shift leader share this very same opinion for themselves which is, as previously mentioned, the idea that many hoteliers in Istanbul have when they think about RCI. This is very powerful; if a corporate brand is regarded as the

"You tell customers what makes you great. Do your employees know?"
(Mitchell, 2002:99)

'school' of its sector, obviously, there is a great value attachment to it both on the inside and outside.

Besides employees' attaching great value inherently, RCI's marketing manager states that RCI also explicitly encourages its employees to be attentive in line-ups, orientation and trainings, be appreciative of the brand-related and organizational issues and regard these as precious subjects. At the end, if an employee is not convinced by and not supportive about attaching value to the brand, caring about and nurturing it, then, s/he feels like an outcast and tends to leave eventually.

RCI is not indifferent to how much employees value the Ritz-Carlton brand; as told earlier, they assess this via EES (employee engagement survey) by questions aiming to find out how proud employees feel about being a part of the Ritz-Carlton which in turn gives a sign about how valuable they think the brand is. There was not any information disclosed about the brand value of the Ritz-Carlton and the technique used in evaluating this value, but RCI's human resources director underlines that the hotel and the Ritz-Carlton Hotel Company in total attach great importance and emphasis on what their employees think of them, how they feel about working there and how involved they are in the entire branding process.

It is no surprise to see that RCI's employees value, respect, protect and promote the brand of such an organization that works quite hard on appraising, caring, empowering, nurturing and nourishing them; obviously, this is a two-way relationship –if RCI had not cared about the well-being, satisfaction and improvement of its employees, they would not have cared about RCI's and the Ritz-Carlton brand's well-being and improvement. All the reasons recounted and explicated above sufficiently and clearly explain why RCI employees hold RCI and the Ritz-Carlton brand in high regard.

II. Critical Perspective

C1. Corporate Vanity
First of all, it would not be wrong to say that there is corporate vanity in the Ritz-Carlton culture. Even the slogan "I am proud to be Ritz-Carlton" suggests this; it is not "I am proud to be a part of Ritz-Carlton" which would have been normal, but there is direct personal identification that seems a little too much. *All respondents who are still working for RCI claim that RCI does not have any potent competitors (which is not true), that the Ritz-Carlton is the best hotel chain and that RCI is at the top among the chain.* They were always too confident and presumptuous about RCI. This is also visible in their internal branding tools such as the service values; for instance, it does not say "I aim to build strong relationships and create Ritz-Carlton guests for life," but it says "I build strong relationships and create Ritz-Carlton guests for life." It is impossible for every employee to create Ritz-Carlton guests for life –obviously, they intend to do this, but the way they put it sounds like they do it every day. Thus, writing their aspirations as daily practices is a bit unrealistic and misleading. Obviously, these are guidelines and their vision, but when asked, they tell that that is exactly what happens at each and every "moment of truth" as Jan Carlzon would name them. *On the other hand, all the respondents that are former employees concluded that, when looking back, they came to realize that those were only objectives, but they were made believe that this is what they actually do every single moment of the day. They agree that RCI employees like to boast about their workplace and that most of them are made believe that they will not be happy anywhere else because RCI has the greatest work environment; however, RCI's former shift leader has worked in two other 5-star hotels after she left RCI, and although she was quite pleased with RCI's atmosphere and management philosophy back then, she says the*

other 5-star luxury hotels are not utterly different in the sense that one cannot work for another hotel after RCI. Similarly, their former assistant sales manager is quite happy with the hotel that he is currently working for besides expressing that RCI is a really good brand to work for but not the only one at the top. On the same line of thought, their former spa attendant and former shift leader think that they were brainwashed by hearing and discussing the same things over and over again every single day. At the end, all interviewees who are former employees did state that Ritz-Carlton is definitely a strong brand and RCI is doing well in teaching and informing employees about it, but the management pumps it up a little too much, and it becomes somewhat worked up which is something that they have realized after they had left.

There are some points where invasion of privacy can be an issue. *For instance, RCI employees are not allowed to have visible tattoos and body piercing, and male employees cannot wear their hair long. Secondly and more importantly, they have the following rule: "Be an ambassador of your Hotel in and outside of the workplace. Always speak positively. Communicate any concerns to the appropriate person"* (Please see Appendix V). As discussed previously, turning employees into brand ambassadors is a good idea, but it should not go as far as banning them from saying anything negative about the hotel which is exactly what the human resources coordinator says; *during the orientation, trainings and line-ups, employees are specifically told to never take an issue outside but solve it in the hotel and not ruin their image.* It is a good principle in the sense that they are willing to solve their employees' problems which is true. Nonetheless, it is invasion of privacy to strictly interfere in what their employees say about the brand outside of work; on some level, it violates freedom of speech.

On the other hand, there are other places where there were positive effects of invasion of privacy. *The housekeeping manager, the sales coordinator and the former purchasing agent cited stories about how working there made them better people through the spill-over effect of work-related behavior onto their everyday lives such as smiling on the bus or subway to total strangers, not pointing directions but taking people where they want to go, etc. –generally behaving like "ladies and gentlemen" at all times. They tell stories about especially the lower level staff with a basic education level coming up and thanking their supervisors for making them better people –more like "ladies and gentlemen."* These are not necessarily bad things, but it is still manipulation to their personal lives *because as the human resources supervisor puts this clearly, the way they see it, if their employees are not ladies and gentlemen in their everyday life, they cannot be ladies and gentlemen when serving guests.* Hence, there is a great deal of control over their behavior, and they train their employees in the RCI-style believing that it is the best one.

At RCI, they are fully aware of what Guaspari (2002:68) states –"employees don't reflect your brand. It is the sum total of their efforts that *are* your brand" meaning brands do not make employees, employees make brands. For this very reason, they have an elaborate screening process to ensure that they recruit people who can adjust to the Ritz-Carlton brand easier and reflect it properly relying on their personality. *As previously explained, along with several interviews with the human resources department, the relevant department head and the general manager, all candidates have to take a <u>personality test</u> called Quality Selection Process (QSP), and if one candidate performs well on all the interviews but cannot score within the desirable limits in the QSP, s/he is definitely <u>not</u> recruited for that position no questions asked. Thus, QSP is a key tool in recruitment and internal branding that is mandatory for all Ritz-Carlton hotels. As explained earlier, in QSP, there are <u>different</u> requirements and preferred competency levels for each title with increasing number of competencies as the title advances.*

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Diversity is something they seek and foster across the chain; hence, there is a heterogeneous workforce across departments with different levels of competencies that are shaped around similar personal values that are closest to the values of Ritz-Carlton, but with this, what Christensen et al (1999) opposes holds true for the case of RCI since they want people with different skills, competencies and inclinations <u>but</u> with very similar values because they believe that service is something one can sincerely deliver if only s/he truly believes in it.

On a similar line of thought, RCI disagrees with Schultz et al (2003) about brand blindness in that they do not believe in separate organizational and personal perspectives in hospitality; *RCI's human resources supervisor says "you are who you are on the inside and out – we do not want people to wear masks at work and take them out when they walk out that door." For the sake of the highest level of personalized service that the Ritz-Carlton brand promises, they seek employees who can develop an emotional engagement with the hotel. Actually, they prefer people without too much experience but with the sought-after personality traits so that they can take in, train and develop them to be true 'ladies and gentlemen.'* It may sound harsh ethically, but it is somewhat hard to question the practices of an international company with so many years of experience over a wide geography sustaining such an eminent and accomplished brand. *The human resources director states that The Ritz-Carlton Hotel Company benchmarked the qualities and skills of their successful employees and designed the necessary criteria for recruitment accordingly.* Hence, they claim that they have to come to realize that people with emotional engagement with similar organizational and personal perspectives are the ones that are most satisfied and productive within the Ritz-Carlton culture, and obviously, their individual satisfaction and productivity is good for the greater good of the entire organization.

However, this can also be read in a different way. *Six interviewees said that the wages are not that satisfactory being below most of the other 5-star hotels in their class in Istanbul, but they also said that RCI employees usually do not consider leaving for another hotel just for the money because, as mentioned earlier, they believe that they cannot find this work environment anywhere else. Besides, almost all of them work for long hours without getting any over-time pay. When looking back, RCI's former shift leader and former spa attendant find this a little abusive.* Emotional engagement and employees' feeling bonded to RCI make it easier to make some sacrifices on employees' side without demanding compensation. At the end of the day, people at RCI tend to work really hard and go beyond their job description without sufficient pay, but they are not really complaining since they feel emotionally connected and content about the working environment. It is true that RCI has a nurturing environment, but the satisfaction employees get out of it is rather psychological and emotional than material, and that is something people get to realize when they step out. *For instance, RCI's former assistant sales manager tells that RCI always boasts about their training schedule, and he used to think it was fine, too, but now in his current workplace, which is another high-class 5-star hotel, he gets twice as much training of a wider spectrum, and he says he feels more developed as a person. RCI's former purchasing agent says the atmosphere was better in RCI –he was feeling more comfortable, but he earns much more in his current workplace.* In general, it can be said that RCI may fall short in some aspects of compensating their employees' grand efforts which are secured by emotionally attaching them to their workplace and rasping their professional and materialistic ambitions.

C2. Autocracy vs. Democracy
Papasolomou et al (2006) have a point when they say "the multiple functions that can be identified within an organizational setting and the people who perform them need to be

actively involved in creating and delivering products and services since they have an impact in the final service offering" (p.45). Thus, to get the most out of an internal branding process, top-down approach may not be the best choice; it might be wise to get over the "narcissistic faithfulness to one's own formula," as Baudrillard (1988:41) puts it, and hear what employees have to say.

For the RCI, it would not be wrong to state that corporate signifiers and internal branding tools are organized, designed and delivered by the headquarters in top-down fashion. *RCI's housekeeping manager who was in the start-up team tells all these tools and the management philosophy stem from a one-page mission statement that was formulated by 350-400 Ritz-Carlton employees headed by Horst Schulze in early '80s;* now, this is collaboration and democracy. *However after that, most designing and formulation was done by the headquarters and distributed to the regional offices and the hotels of the chain.* Speaking for RCI, there was not any explicit exclusion of employees who wanted to be involved in the planning, but the system does not work that way, so there was not any effort from the employees' side to contribute to the developing stages to begin with. For a new brand, this is a very valid argument; employees of a new brand should absolutely be involved in the planning process, but for the Ritz-Carlton brand, everything is already set and done. It is an extremely established brand, so there is not much room for designing any more. However, there are occasional changes on the tools like the 20 service basics changing into 12 service values, and the design and wording of such tools again belong to the headquarters. *And as the respondents recount, there has not been an objection to these tools and their contents because evidently, employees do not question it too much; they believe and trust in the brand, and every tool to realize and support it sounds reasonable to practice for them.*

Hence, yes, there is a package designed by the 'top' which may fall into the boundaries of autocracy, but the management supports democracy in the implementation stage. *About each process and tool, every department discusses among themselves every morning at line-ups, department heads take these discussions to their department head meetings every week, and this goes on in this course. They discuss the credo, employee promise and the service values as how to interpret and execute, and they share their thoughts, opinions and practices.* In line with this, now that the service values are more open to interpretation as they are less like rules but more like personal principles, they have the freedom to determine their own routine, naturally within the limits of those values. Thus, the new system's objective of personalizing these values can also be construed as an effort in providing a more democratic work environment where there is less room for dictation and imposition and more for improvisation. Even the name 'service values' implies that internal branding practices got a deeper level. Plus, they are recruited accordingly; they have the capacity to make the correct and desirable interpretations as to how to realize the brand, so even though they are not the ones designing the package, they do not feel detached or disconnected since they are involved in the execution process.

Within this context, RCI's human resources director finds participation crucial; she underlines that they seek participation and involvement from the entire employee base on every step of the way which is why they communicate a lot with them for the sake of transparency and trust. They also have teams called "scenography teams" in all the Ritz-Carlton hotels which is a term coined by The Ritz-Carlton Hotel Company. These are teams of five from different departments and levels all selected by the team leader, but it is somewhat voluntary as well since it takes spirit to be productive in such teams. Management expects new ideas from this team about any kind of strategy and operation within the confines of a theme specific to each hotel –this can be a branding strategy, a new promotion, etc. Before every guidance team meeting,

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the scenography team is asked to formulate suggestions about relevant issues, new investments and strategies. As a former member of this team, RCI's former assistant sales manager finds this practice, which is an example of democracy and an indication of the value they attach to their employees' opinions, *very motivational and apt.*

In general, the respondents think that it is a democratic work environment where if an employee does something extraordinary or has a sound suggestion, it is made sure that it is heard. Plus, managers ask for their subordinates' opinions about each and every issue that will affect the brand; for example, the housekeeping manager recounts that when the uniforms of his staff were going to be renewed, they had a meeting about this discussing the fabric types, color and style whereas the common choice of action is the manager's picking it on his/her own after merely asking for their sizes. The vast empowerment RCI provides is another indicator of the autonomous work conditions; as explained earlier, if there is a problem to be solved or an opportunity to foster a customer's brand experience, employees are allowed to go the extra mile without asking for their supervisors' consent or opinion, and their supervisors cannot and do not object to this. The general manager of The Ritz-Carlton Dearborn, Michigan, expresses this very well: "Job descriptions become irrelevant when guest satisfaction is at risk. Ladies and Gentlemen step outside job boundaries, and no one questions their right to act" (Lampton, 2003).

Occasionally, there might come up some personal issues blocking this democratic environment. *None of the respondents who are RCI's current employees could give counter-examples, but three of the former employees did. The former assistant sales manager tells that he heard some employees with higher rank claiming that they do not execute half of the service basics since they do not think it is in their best interest to do so or since they simply do not care. Similarly, the former spa attendant recounts one occasion where, based on RCI's philosophy of flat structure where everyone helps everyone, he complained about his helping out everyone but no one else helping him since he is a line employee. At the end of a brief dispute, his supervisor said "it does not matter what it says on that card –of course you are going to help me and not the other way around as much." In another case, the former shift leader tells that once, the way she used empowerment was criticized and reproached by her manager and by the reservations manager since she gave a customer a complimentary spa treatment without advising anyone which at the end resolved by the general manager taking her side and telling them that for customer satisfaction, there is no such thing as "too much" within the Ritz-Carlton philosophy.* That is to say, although unable to judge and comment about the frequency of such behavior within the scope of this study, there are occasional deviations from various internal branding tools. *Interestingly, all three respondents cite that these people who refused the service basics in one way or another were not from the start-up team, and they were recruited as managers.* Obviously, it is extremely difficult to put a manager in that Ritz-Carlton 'mold' since most probably those managers learned hotel management in some other hotel that they were working for many years ago, and it is hard to adopt a whole new philosophy after so many years. Plus, technically, a manager has the capacity and the authority to shift the equilibrium in his/her department; thus, it might be problematic and unacceptable for their subordinates to make use of this egalitarian system if they are used to working for organizations with hierarchical structures and less autonomy where the employees of lower ranks always have to address and respond to their superiors at any instance. *Actually, RCI officially has this policy of 'promoting within' to overcome such situations; as stated previously, they rather recruit someone who has no or little experience but traits and competencies that befit the Ritz-Carlton brand, train and grow them to the level where they feel confident to say "I am proud to be Ritz-Carlton" identifying themselves with the Ritz-Carlton brand. RCI is aware of the fact that it is extremely hard to execute this on*

"You tell customers what makes you great. Do your employees know?"
(Mitchell, 2002:99)   **45**

people who have been working for different hotels, cultures and brands. Obviously, there are situations where they could not promote within and have to recruit from outside, and in such cases, internal branding practices can be neglected and not completely adapted. Probably, for such employees, orientation, brand training and communication should be much more intense in order to better impose them the feeling of the Ritz-Carlton brand. *For instance, as mentioned previously, it was told that the opening training given by a large number of foreign senior managers and regional managers of Ritz-Carlton was extremely inspirational; respondents from that start-up team say they fell in love with the brand at once, but they noticed that trainings were not that inspirational afterwards.* To overcome this, senior and regional managers can come to RCI more often and have meetings, informal get-togethers, dinners, etc. especially with people that are recruited as managers in order to give them a closer sense of the Ritz-Carlton brand. Otherwise, the atmosphere in a department where the manager is more autocratic but his/her subordinates seek autonomy would be confusing, inconsistent with Ritz-Carlton's brand values that entail egalitarian but caring behavior, hindering successful brand delivery and unpleasant to work for.

C3. Over-Complication of the Brand
Brands have to be refined, simplified, relatable and well-told to employees for them to properly deliver it, and this is actually one of the main functions of internal branding. For the case of RCI, it is true that branding comes from the top, but it is not that over-complicated. The headquarters competently manages turning the brand into very doable and practical values which everyone can relate to. Probably, they realized that there are people from all levels of education working for the Ritz-Carlton brand, and not all of them could understand complicated brand manifestations. The employee promise might sound a little sophisticated for lower levels of staff to grasp i.e. "The Ritz-Carlton experience enlivens the senses, instills well-being and fulfills even the unexpressed wishes and needs of our guests," but during the orientation and line-ups, they discuss each sentence and word in full detail, so in general, they are successful in making the brand much more understandable and down to earth for the employees. RCI's internal branding tools are very thought-upon, very planned and worked on but not made up. These are simple and practical guidelines as to what is expected from employees as brand ambassadors of the Ritz-Carlton. *Supporting this, the former shift leader says that standards have high applicability when brand is believed in. The marketing manager says that now after their 20 service basics are turned into 12 service values, it is especially not complicated because the values, by definition, are innate, easier to internalize and interpret. And for the ones who do not have the capacity to interpret, as the human resources supervisor stresses, they are explained to the last detail.*

Hence, the Ritz-Carlton headquarters was proactive enough not to be too philosophical about the brand with abundant symbolism and else; actually, in their internal branding process, there is nothing symbolic that is not substantiated. Thus, these tools are neat, clear, understandable and doable guidelines for employees to realize the Ritz-Carlton brand.

C4. Excessive Repetition
There are two facets of excessive repetition within this context. First of all, as previously mentioned, RCI does not advertise a whole lot; they work with several high-end magazines with very specific body of readers, and they never do TV or radio advertising (Cai et al, 2004). They usually use word of mouth marketing and direct marketing when addressing their business contacts, and other than that, the brand sells itself. Thus, they do not create that intense 'noise' in the market. Their employees are actually one of the few marketing tools they use, and in such markets as Turkey where they are not one of the publicly-known foreign brands at large, they need their employees' representation to create awareness. That is to say, there is not excessive repetition towards their target market.

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On the other hand, when the term "excessive repetition" is used in the same context with RCI, immediately one specific tool comes to mind: line-ups. *All respondents recount the importance of line-ups in their perception of the brand; it is certainly one of the most effective tools in the internal branding process. However, it is told that when the hotel is crammed and the operation needs to be faster, not everyone is invested in the line-ups. Still, RCI's marketing manager states that line-up is something that everyone is expected to attend and appreciate, "I am there, and if someone is not, I do follow up and ask them why not."* Obviously, besides being an internal communication tool, line-ups are necessary to teach and establish the brand in employees' minds as repetition brings along engagement, connection and group feeling.

Expectedly, there are employees who are not fans of line-ups. RCI's former assistant sales manager tells sometimes line-ups have a high opportunity cost when they have a lot of work to do. He wonders if it would be better if they had not done it every single morning, and he questions its content with regard to internal branding; he mentions that in RCI, they make employees <u>say</u> that they are proud of their workplace and that RCI is great and almost holy in many aspects –there is somewhat dictation. However, in his current workplace, they make employees <u>feel</u> it through the atmosphere, and they put their own words together and say it. A conference sales trainee who briefly worked for RCI says she used to feel like the management is taking them for fools because they were repeating the same thing over and over every single day like elementary school students. She supports that there should definitely be formal standards, but they do not need to be repeated everyday. Moreover, she found the wow stories very overrated, and she is very happy now in the same hotel that RCI's former assistant sales manager is working for. She did believe in the Ritz-Carlton brand, but she did not find the Ritz-Carlton culture too convincing to begin with, found it a little too exaggerated, so she is probably not the type of person who would be happy working for the Ritz-Carlton in general. *Similarly, RCI's former spa attendant recounts that he used to feel like he is in a Gestapo station during the line-ups where everyone was expected to know these values by heart and be enthusiastic every time they read and discuss about them; he found it too worked-up as well.*

Alternatively, RCI's reservations coordinator utters that line-up is also a motivational tool which some employees almost turn into a performance; the person who reads it - that changes every day by rotation- makes jokes and reads it enjoyably. He thinks it helps relieving stress every morning. Plus, it is really engaging to him since he hears very inspirational stories that he might follow and see how the Ritz-Carlton philosophy is realized. So, for him, line-ups are brief time intervals amid a hectic day where employees get a chance to learn about the brand. Moreover, the human resources supervisor expresses that it does not sound the same every day; with the thinking that it might get boring, the headquarters renew its format, layout, content, etc. –they try to keep up the enthusiasm, the will to read and discuss about it.

In the end, line-up is an efficient tool for the sake of internal branding. Most of the respondents state that wow stories are inspirational and motivational, and besides, discussing how to implement certain values helps them in their routine. Plus, newcomers get engaged and pulled into the brand through line-ups every morning. It might be boring for employees with higher tenure, but it is believed that they enjoy teaching and leading newcomers –whether a person is willing to help his/her peers' development is actually a criterion assessed by the QSP. Probably, employees are asked what they think of the line-ups in the employee engagement survey (EES), and the fact that it is still very much a part of the daily routine shows that majority of the Ritz-Carlton employees favor this practice which is

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what matters; leaving its tutorial feature aside, as long as it does not alienate the majority of the workforce from the brand, then it is safe to keep it.

C5. Excessive Pressure on Employees

Looking at the credo card, it makes one think that both the expectations of RCI to realize all these (such as attending to customers' even unexpressed wishes, representing the Ritz-Carlton brand wherever they go, sincerely responding to customers' problems, fostering the brand and the culture, etc.) and the expectations of their customers to fulfill the brand promise are tough on RCI employees, but, interestingly, *none of the respondents thought there was excessive pressure and stress in this work environment.*

One thing the human resources director and supervisor express over and over is that they work on each individual's strong sides; they try to improve their weak sides in time, but in order to avoid the feeling of insecurity and demoralization due to high expectations, first, they bring each employee's strong features up front and assign them accordingly. This relieves the pressure to a certain degree. Eventually, they feel self-confident and free to make use of the empowerment granted. When they do what they like, they get to be creative which is desired and encouraged. There are certain expectations but nothing that surpasses employees' capacity which is assessed via the QSP by matching each individual's competencies with the specifications for the job that s/he is applying for. The human resources director says the turnover rate fell from 75% to 25% percent chain-wide after having started to use the QSP in 1997. RCI's former shift leader shares this thought; as an example, she states that she never recalls any instance where anyone complained about too much work because that is this criterion assessed by the QSP –willingness and capability to work over time. She observed that they were selecting people who would and could go the extra mile for their workplace and not complain about it.

The fact that empowerment is emphasized for all levels of employees might be intimidating and stressful as well. *RCI's marketing manager acknowledges that it is true for the cases when employees are empowered but not trained; she says there is nothing worse than giving a person vast authority without instilling the know-how, self-efficacy and self-confidence into them which would definitely bring about elevated stress and confusion. However, in RCI, employees are first trained about using that initiative. For instance, before s/he settles down at his/her station, a new sales staff does a rotation in all the departments first -somewhat like a management trainee but for a shorter period of time- in order to get an idea about the operations as a whole. Moreover, the housekeeping manager and the sales coordinator point out that everyone in RCI is trained like they can do anything; they are guided and inspired. Plus, empowerment does not come with constant supervision and pressure from the superiors; employees are free to do whatever it takes for customer satisfaction, so they do not need to get confirmation –they just inform.* Evidently, this thinking relieves the pressure on employees to a great extent; they know the management relies on and trusts them, so it boosts their self-confidence. They feel assertive with all that autonomy which eventually improves their productivity.

Still, it is true that there is an implicit pressure about the adoption of internal branding tools. For instance, employees have to keep the credo cards in their pockets and carry them around at all times; they have to attend and participate in the line-ups; they have to know these by heart, etc. They repeat it everyday, so it sticks with them even if they do not try hard, but it is also interesting to see that they actually have written exams where they are tested on these values –for instance, there is one such exam after Day 21 training to evaluate what they have

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learned so far about the Ritz-Carlton brand. Thus, there <u>is</u> a pressure about learning and adopting their credo, employee promise and service values.

However, the point is the Ritz-Carlton brand is truly a part of their jobs; according to the definition of a service business, 'living the brand' is also being successful service providers because, for RCI, branding is not about symbols or metaphors –it is about the quality of the service. Thus, if they act off-brand, then that means they are not doing their jobs right. That is to say branding efforts are not an extra burden but a part of their job descriptions. It would have been bad if RCI had left their employees unguided; in that case, they would feel pressurized and lost, but RCI has strong support systems, and they try to help their employees in every way that they can about their performance. The management does not seek retributive action when employees are not responding to management's expectations in means of realizing the brand and/or work performance; on the contrary, they try to resolve the problem with the employee. That is to say, for a hotel business, it is not overworked to expect the employees to know about the content and meaning of the internal branding tools by heart and to perfectly provide the brand promise, and RCI does not expect anything that they do not supply.

On the other hand, crisis situations may have created extra pressure on RCI. Tourism is a fragile sector especially for countries like Turkey; there are so many factors that cannot be taken under control. Hence, reservations can and did plummet after remote incidents such as 9/11 and the war in Iraq. *In such situations, RCI does undertake certain cost-cutting measures such as letting their employees go.* And as the number of employees declines, there are more responsibilities per person. From an objective perspective, this is a stressful situation –peers get to take unpaid leaves, wages are stable, but the amount of workload has almost doubled; this must be really pressuring and demoralizing. *However, RCI's human resources director claims that this pushes them to be more creative like designing new processes not to forfeit their standards. Moreover, she believes that employees feel improved as hoteliers since they learn how to fill in for other positions and how to handle a crisis situation.* It is not possible to judge and evaluate if this is true within the scope of this study; however, it seems more like wishful thinking to believe that an employee would feel enriched when s/he is covering for others' jobs as well as his/hers with no extra compensation. This might be another example for abusing emotional engagement that came up under the caption of corporate vanity.

Nonetheless, in general, RCI employees seem to be content. *As told by the human resources director, employee satisfaction that is measured by EES is about 90%, and the turnover rate is as low as 13%* that is really below the industry average, which are indicators of the organization's handling the pressure well. Obviously, there is the stress of being and acting in accordance with the Ritz-Carlton brand, but it is not excessive because the management guides, trains, trusts and empowers them about delivering the brand. *The majority of the respondents state that it is harder than another hotel because there is the mighty Ritz-Carlton brand on their shoulders, but the fact that they are integral to the existence of the Ritz-Carlton brand also gives them pride*; thus, they do not seem to suffer or complain about excessive pressure.

C6. Excessive Focus on Appearance
As previously stated, Washington et al (2007:127) list "thinking the brand is the logo, stationery or corporate colors" and simplifying it to such graphic tools as the second most substantial mistake that marketers make when branding. Obviously, brand is the total package of the feelings and associations that service/product triggers. However, companies do tend to fall into the trap of getting hooked on the visual attributes of a brand.

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For RCI, this is not applicable. Very aptly, they work intensely on providing behavioral guidance to their employees since that is what counts. Hotels are branded through the brand experience they offer, and the corporate logo or the font type does not mean much to the customers. Evidently, within the context of branding, they do diligently choose, for example, their website's design, font size, background color, etc., but these are within the duties of marketing department, and it is not something that is underlined during the entire internal branding process. Similarly, for the sake of branding, issues like premises design, layout and landscape that are about the 'corporate look,' as Berg et al (1985) name it, do matter since the workplace of the RCI employees is also an integral part of the brand experience for the customers, and design principles (the fact that the hotel is decorated in such a way that it signifies elegance and "home away from home" impression, staying away from the mass feeling in line with the Ritz-Carlton brand) are explained to the employees. However, as stated above, these issues are <u>not</u> among the key subjects within their internal branding tools, still, RCI wants their employees to know that design is a part of the atmosphere which attracts travelers. *However, there is emphasis on personal looks at work; they intensely underline cleanliness and require a modest and conservative look with natural make-up, low heels, not excessive jewelry, etc. RCI's human resources director believes that within the limits of professional service, clothing should look clean and modest away from exaggeration and flamboyance.* Thus, there are such service values as keeping the premises clean (value number 12), protecting company's assets (number 11) and caring about professional appearance (number 10) which are very much relevant and related to the brand promise and the brand experience they offer as signifiers of the Ritz-Carlton brand.

On the other hand, there is definitely emphasis on the internal branding 'package.' *For instance, they never use the word "customer" –they always and always refer to them as "guests" because they are to be treated like guests in line with their branding. They never say "problem" –they call it "opportunity" because they believe every problem is an opportunity to fix things and learn from experience, so they say "there was an opportunity with such and such guests." It is not "the daily meeting" but "line-up," it is not the "newsletter" or "announcements" but "Commitment to Quality," it is not the "executive committee" but "Guidance Team," it is not "the Ritz-Carlton culture" but "The Ritz-Carlton Mystique," etc.* Every name has a connotation about the brand, and all of these are designed to be reminders about the Ritz-Carlton brand. Hence, there is a focus on the appearance of these tools and their packaging in the symbolic sense. For an outsider, it might sound vain since they have created their own jargon, but if it enhances the brand involvement on the employees' side and strengthens the belief and trust in it, then, it is not totally an off-behavior. At this point, it is necessary to get what employees think about this –do they think it is too much or do they think it adds personality to the entire process? The answer matters. Freeman (2007) concludes that most of the time, using a company jargon can intimidate new recruits by making them feel isolated; what is essential is to notify newcomers about these company-specific terms upfront as a part of the orientation and regular trainings so that they do not feel lost or left out, and this is something that RCI is quite successful at as all respondents seem to be at ease with and, moreover, proud of having such a particular company 'language.'

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5. Discussion

Research Question 1

How relevant may internal branding be for the entire branding process and corporate success?

As the evidence confirms, prosperous implementation of a series of internal branding practices enhanced the Ritz-Carlton brand within the context of The Ritz-Carlton Istanbul. Interestingly, RCI's practices fully correspond to the supportive points that were defined after a detailed literature survey done *before* the case analysis. Thus, it would be apt to conclude with this evidence that, for the case of RCI, internal branding is absolutely vital for external branding, and there are strong suggestions that it is significant in general.

Facts supporting the relevance of internal branding are summarized below:

Culture precedes image.
- ❖ If a hotel is intending to establish a strong brand, first, it has to set its culture right because service is the key concept for the branding of an accommodation unit, and what is branded is the experience, and employees are integral to that experience –you cannot separate them. Thus, if a hotel wants to create an image and deliver a brand, employees are absolutely a big part of it. Product brands might be less susceptible to this, but service is provided through employees, so without aligning it with the culture first, it is not wise to set up an image since it will not stick as employees may not be capable of delivering the publicized brand. Speaking for this case, without the proper and appropriate organizational culture within to back it up, the Ritz-Carlton brand on paper would not mean much; thus, internal branding must be undertaken to align the image with the culture.

  For RCI, it is the other way around; they set the culture according to the brand image which is reasonable because Ritz-Carlton is an internationally established brand that has the same image and branding all over the world. Thus, with the 'winning formula' that is a series of very well-planned internal branding tools which worked successfully in all the Ritz-Carlton hotels all over the world, they formed a culture and an employee base that will work perfectly with the Ritz-Carlton brand.

  Hence, internal branding is a must for successful external branding, especially in the case of service businesses, because if internal branding is not practiced, then, the brand will lack credibility, employees' acceptance and an internal support system – just like a sandcastle which looks nice from the outside but is vulnerable to the first wave.

Inevitability of the Human Factor
- ❖ When it comes to ascertaining customer loyalty, service and employees create the difference. As Bergstrom et al (2002:139) put it, "it is people not advertising that is at the core of a brand." Hence, employees must (1) believe in and think highly of the brand, (2) be capable, willing and motivated to deliver it to the customers and (3) know how to do this in order to realize the brand promise. It is true that brands will become stronger when they build on brand building skills of their entire employee base, and in order to create effective brand ambassadors, companies must motivate and align their employees. In this case, if RCI's employees did not believe in the brand or were not capable of delivering the brand message, then, they would fail in making their customers believe in it, besides accurately rendering the brand promise. This

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statement alone is enough reason as to acclaim RCI for their well-designed and clever internal branding tools as to ensure the three musts listed above.

For especially the services sector, letting brands communicate through employees should be the definite course of action. Thus, companies must make sure that their branding processes are known, supported and implemented by their employees because as stated above, services are branded through people, and basically, these are the functions of internal branding which suggest that internal branding is vital for the entire branding process.

<u>Employees need guidance about how to behave in accordance with their brand.</u>
- ❖ It is not enough just to inform employees what their brand is about; they definitely need guidance in order to learn how to 'live their brands.' As seen in the RCI case, when there is a solid structure, established processes, constant and restless guidance about the how to act in an 'on-brand' way through various formal and informal tools, employees are much more involved, invested and engaged in the entire branding efforts. Moreover, such constant guidance ascertains consistency which is essential for service businesses as loyal customers seek consistency and do not want to be surprised every time.

  In order to lead employees about how to deliver the brand promise in the best possible way and to set some criteria for managers to assess the level of this delivery, internal branding is necessary as it is internal branding's function to design the guidelines and build the a solid bridge between the brand and the employee base. Otherwise, employees will feel lost and confused which evidently hurts the brand.

<u>Avoiding Contradictory Communications</u>
- ❖ Effective communication is a tool for internal branding, and internal branding is a tool for effective communication. Without proper communication, it is impossible to practice internal branding since internal branding is basically all about communicating certain aspects of the brand to the employees. And internal branding is vital to ensure that communication targeting the consumers is supported by communication targeting the employees for the sake of consistency. It is true that outward communication is essential for branding, but if that outward communication is not paralleled with inward communication (that is informing employees about what the brand is, what significance it has for their jobs, how to realize it and why should they work for the sake of it), then, it does not mean much. A company-wide communication system that works both ways keeps the brand from being detached from employees and losing its main pillar. In this case, it is shown that RCI is utilizing such a communication system aptly and consciously.

  Employees need to feel trusted and relied on to believe that it is in their best interest to be actively engaged in branding. That is why communication is crucial; if employees are not informed about certain issues and let in on some 'secrets' so to speak, then, they might lose interest and/or will to participate in branding efforts and to be true brand ambassadors. One of the functions of internal branding is to communicate the brand effectively to the employees; thus, this is another reason as to why internal branding is elementary for brand management.

<u>Internal branding facilitates word of mouth.</u>
- ❖ Word of mouth is one of the potent marketing tools of our day since it is found sincere and dependable. It can be expected from customers to create word of mouth; however, the content of such communication is hard to determine and control. Instead, companies can rely and work on their employees to employ them as word of

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mouth facilitators. Employees are believed to take their brand wherever they go, so if management provides the appropriate background for them to properly represent their brand verbally and non-verbally by guiding and informing them, they would not even have to ask —employees will automatically start spreading the word around. Nevertheless, in order to create positive word of mouth, the key is to ensure employees' trust, belief and knowledge about the brand which is a function of internal branding.

Internal Branding's Significance with Regard to Brand Valuation
  ❖ The level of value attachment on the employees' side mean a lot to a brand's total brand value, and its significance is even greater when the subject is a service business since the value an employee appraises for the brand s/he is working for has a direct effect on how that employee delivers that brand. Obviously, this is a two-way relationship —if a company does not care about the well-being, satisfaction and improvement of its employees, they would not care about the company's and the brand's well-being and improvement. Without internal branding, that is without informing and engaging the employees in the brand, it cannot be expected from them to attach and create value for the brand; thus, if the brand value is meant to be amplified, it is imperative to get employees' support, and internal branding is the way to do that.

Research Question 2
How vulnerable may internal branding be to misinterpretation and misapplication?

As emphasized earlier, these arguments -or any relevant argument- are not to be found in the internal branding literature. Internal branding is the new buzzword, and it is incredibly significant for the brand; however, that does not mean that there are not any issues that can hurt internal branding processes. All of these arguments might not be valid for every business; for instance, for RCI, one of them is definitely valid, and three of them are partially valid, and for the rest, evidently, RCI recognized the potential problem and was proactive about it. Moreover, one argument can be problematic for one brand and good for another one. Thus, these may not be universal, they may not be generalized, and their effects on the internal branding process cannot be measured fairly within the scope of this study; however, the point here is to draw attention to the fact that there might be problematic practices within internal branding tools, and internal branding is of no use if done blindly or copied from elsewhere. These arguments are formulized regarding an internal point of view, and the internal branding processes should definitely be questioned and evaluated concerning such arguments.

Corporate Vanity
  ❖ Corporate vanity is a dicey issue, and in today's business world, it is hard to see any organization that is not vain at all. The important point here is (1) to be perceptive of the values and symbols that would actually mean anything to the customers and employees (2) to watch out for invasion of privacy and not interfere with their employees' personal lives under the caption of internal branding and (3) to avoid occasional abuse of employees who are loyal to their brand. The fact that an employee believes and trusts in the brand s/he is working for does not automatically suggest that his/her world will revolve around it; that is unfair to expect. A brand and a company that *care* about their employees will always have their employees' support. Thus, when designing internal branding processes, these issues should be kept in mind.

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Autocracy vs. Democracy
- ❖ For employees to follow and practice internal branding tools by heart and to internalize the internal branding practices, they must participate in it –whether in its design or its implementation. For new brands, employees' ideas, competencies and traits should definitely be considered, and for established brands like the Ritz-Carlton, their involvement should be sought in interpretation and execution of these tools. The feeling of involvement and voluntary commitment are extremely important because living and delivering the brand is not a job that they are getting paid for; thus, to be sincere brand ambassadors, they should be given the opportunity to contribute to it.

Over-Complication of the Brand
- ❖ Generally speaking, an 'elitist' approach for internal branding is likely to fail. In order for the entire employee base to understand, relate to and be able to execute the brand, brand should be refined, simplified, relatable and well-told, and this is actually one of the main functions of internal branding. There is the possibility that not all employees can understand complicated brand manifestations; hence, the Ritz-Carlton headquarters was proactive enough not to be too philosophical about the brand with abundant symbolism and to turn the brand into very doable and practical values which every employee can relate to. Thus, like Ritz-Carlton, companies should design their internal branding tools as neat, clear, understandable and doable guidelines for employees to realize their brands.

Excessive Repetition
- ❖ Excessive repetition can alienate both customers and employees from the brand. If a brand makes too much 'noise' in the market by excessive advertising and marketing, its target customers may not want to hear about it once again from people who are working for it. On the other side of the coin, employees may not want to be reminded about the brand over and over again. Thus, the tonage and the content of internal branding should be very well set so that it does not bring about ennui. It is true that learning, adoption and internalizing are maintained through repetition, but if employees hear the exact same thing repeatedly, then, it is likely to repulse them. Hence, like the Ritz-Carlton headquarters does, creative ways should be found to teach the brand to the employees. Internal branding should be a part of the daily operations, and it should be repeated, but the design of its content makes a huge difference for the employees in the sense that it can evoke appreciation or contempt based on how it is packaged and conveyed.

Excessive Pressure on Employees
- ❖ First of all, it is not ethical and fair to publicize the desired image to elevate customers' expectations by generating a disparity between the reality and the image and wait for employees' behavior to shape accordingly as a result of this push. As previously mentioned, employees turning into brand ambassadors is somewhat voluntary; thus, in order to make employees execute the brand in the best possible way, organizations have to depressurize them and create a more relaxed work environment by providing a comfort zone.

  For service businesses, branding is not an extra job but it is the job itself because what is branded is the service, and employees' job is to deliver that service; thus, they are delivering the brand at every customer contact, and if they act in an off-brand way, then that means they are not doing their jobs right. That is to say for hospitality, internal branding efforts do not induce extra workload. And for other businesses, by effective recruitment, placement, training and empowerment, it is possible to relieve stress. If employees feel that they are trusted and relied on, then, they do not hesitate

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to go the extra mile for the company and the brand. Thus, to get the most out of internal branding processes, first employees must be pacified and comforted, then trained and outfitted with necessary information without intimidating or pushing them.

Excessive Focus on Appearance
  ❖ Visual style, logo, font sizes, etc. should be integral to the internal branding process if only these features have significance on the brand. For instance, the visual style of corporate documentation does not mean much for RCI; however, the style and décor of the hotels are extremely important because they are a part of the brand experience. That is to say, companies should assess objectively, find out which visual elements are significant for the brand experience from the perspectives of both employees and customers and sort out irrelevant items out of corporate looks and symbolic expressions. Internal branding should be mainly about brand values and attitude; thus, it is important not to be hung up on superficial issues like these.

Research Question 3

Do theory and empirics concur regarding the relevance of internal branding in this case?

Deriving from the case of The Ritz-Carlton Istanbul, it can be concluded that there is a very high congruency between the theory and the practice. First of all, for the supportive perspective, all six items were closely related to RCI's reasons and tools used for internal branding; apparently, they had this reasoning in mind when they were designing their internal branding processes. On the other hand, not all critical points were true for RCI because, mostly, they acknowledged the existence of such traps and took action against them. For instance, they were very careful about not over-complicating the brand message so that each and every employee could relate to it. Other than that, since the brand was already established, they provided autonomy in *interpreting* it so that employees would be <u>involved</u> in this process. They agreed that there is excessive repetition, but it was working <u>for</u> them, not against. It was also claimed that there is not excessive pressure on employees which is resolved through empowerment and caring about employees. However, RCI has to definitely work on corporate vanity and draw the thin line between organizational and personal perspectives.

From the case study, it comes out that there is another reason as to why internal branding is relevant and two more critical points to watch out for that are explicated below.

Internal Branding as a Tool for External Branding
This issue was briefly mentioned under different captions; however, it needs to be studied on its own. If internal branding tools are carefully designed, they can be used as external branding and marketing tools as well. To start with, as pointed out earlier, RCI employees are free to hand out their credo cards. By allowing them to do this, the management gives the message that "this is the way we are bringing up and training our employees, would not you want to be the recipients of this brand and such service?" Thus, the way they are internally branding their employees is also the way they engage their customers. RCI has other confidential internal branding tools that they do not share with outsiders; however, they are probably much more technical and situation-specific. When their credo card is examined, it is obvious that it is also a guarantee about the level of their service and their philosophy.

Employer branding and being the "employer of choice" are fairly new notions within branding with growing importance (Martin et al, 2005), and RCI and the Ritz-Carlton in general make really good use of these notions. When RCI employees express their contentment about working for RCI, the strength and distinction of the management

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philosophy, quality of the other employees and the system, etc., it is an immediate reference to employee satisfaction's leading to customer satisfaction. Thus, their system and internal atmosphere are used as marketing tools in this sense.

Other than the employees who are working for RCI, there is a pool of workforce who idealizes working for RCI. The fact that the Ritz-Carlton positioned itself as the school of high-end hotel management and internal branding works also for external management purposes. For instance, within The Ritz-Carlton Hotel Company, there is the Leadership Center (www.ritzcarlton.com/corporate/leadership/default.asp) that provides training to other business leaders about such issues high-class service branding, employee motivation and engagement, etc. with the reference point being the Ritz-Carlton itself. This is another branding tool based on their internal branding and internal philosophy, and the fact that they are undertaking this mission of training others with their philosophy is an indicator of their confidence and strength.

The implications of using such carefully-designed internal branding tools and engaging management philosophy (that would be appealing to both internal and external customers) as external branding and marketing tools are not to be found in the internal branding literature, but it is a very valid suggestion with multiple advantages. Therefore, if designed and practiced properly, internal branding is not only a way to communicate and teach a brand to its employees but also an indirect way of delivering the brand promise to outsiders and ascertaining them that the people working for that brand are dedicated to this promise.

Effects of the Owner-Operator Relationship on the Internal Branding Processes
The majority of the 5-star high-class hotel chains internationally expand through signing *management contracts* with mostly local property owners/investors on the condition that the hotel company operates the hotel by providing the know-how and its established brand name. Typically, the property owner supplies all the financing through good and bad times, and the operator hotel company supplies the "intellectual capital" (p.301) by running the hotel for the owner in return for a specific percentage of the gross operating profit the rest of which goes to the owner (Armistead, 2004). Management contracts are often signed after strict negotiations between the owner and the operator (Boddewyn et al, 1986), and their terms and the risk they induce on the respective owner and operator vary from one chain/hotel/owner to another depending on such factors as the brand, location, market conditions, etc. (Armistead, 2004). Starting from the 1950's, traditionally, the operator was the dominant party to this agreement; however, from early 90's on, the dominance has been increasingly shifting in favor of the owner mostly due to economic and legal amendments. Consequently, owners have obtained a much greater level of intervention and input in the hotel operations especially in "two major areas of operational decision-making —namely budgeting and personnel" which used to be exclusively in the domain of the operator's decision-making (Panvisavas et al, 2006:235).

Speaking within the present context, for proper branding, the owner has to believe in it so that sufficient funds are reserved for branding purposes since the owner has gained the financial control. *RCI's former assistant sales manager thinks that this relationship is very important for execution and standardization of the brand*; different investors of different Ritz-Carlton hotels might have varying margins and expectations, so branding can be more important in one location and less in another. Thus, some practices might vary from one Ritz-Carlton hotel to another due to the size of the branding budget. Obviously, there is always room for negotiation, but at the end, RCI's budget has to go through the investors, and this might hinder certain internal branding practices.

For instance, RCI's reservation coordinator and former purchasing agent reckon that for such a perfectionist organization with great emphasis on employee satisfaction,

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the number of employees is not enough –that is one of the basic reasons for them to work a lot and have extended job descriptions. *They stress that especially when there is a major event or when the hotel is almost fully booked, possibly, there is a chaos and strife.* RCI has 244 rooms and 200 employees which makes 0.81 employee per room, whereas in another Ritz-Carlton hotel, The Ritz-Carlton Portman, Shanghai, they have 578 rooms and 780 employees (Yeung, 2006) which makes 1.35 employees per room; this is an important ratio that makes a significant difference for the quality in delivering the brand. *Similarly, RCI's marketing manager tells that every quarter, they grant 'Five-Star Employee Awards' to an employee who has outstanding performance, and s/he is rewarded with a pin and recognition by the general manager through a nice cocktail party*; however, in The Ritz-Carlton Portman, Shanghai, the employee who gets the Five-Star Employee Award receives a five-night stay for two at any Ritz-Carlton s/he wants along with plane tickets and $500 allowance (Yeung, 2006). All these are the indicators of financial allocation to employee compensation, and for employees to be dedicated to internal branding, there should be proper compensation to secure their satisfaction.

RCI's human resources director refused to disclose any information about their relationship with their owner and its direct effects on internal branding processes; however, there are some signs of it especially when looking at how crisis situations were handled in the past. In crisis situations, how much investors are ready to buffer the undesirable conditions -such as unexpected reservation cancellations at large- is crucial for the operations. *RCI's former shift leader recounts that just before the opening, which coincided with the 9/11 attacks, about 50 people and within eight months after the opening, another 60 were dismissed.* In this way, Ritz-Carlton's employee satisfaction principle was forfeited to their investor's financial concerns. *Similarly, their former spa attendant tells that when the US attacked Iraq in March, 2003, a considerable number of employees were forced to take unpaid leave. He remembers that it was his first week, and he was left in the spa alone without any supervision whatsoever; he recounts:*

> *I am new. I have no idea where the towels are, I have no idea what to do in case of emergency, I do not even know how to turn on the sauna. I could have done something wrong, I could have burnt a customer, what would have happened then?*

Moreover, the spa manager had just quit, and since the hotel could not afford a new manager, they assigned the floor manager to that duty who obviously did not have (and did not need to have) any idea on how to run a spa. Plus, due to employee shortage, there was not any housekeeping attendants taking care of the spa, so the spa attendant had to work as a housekeeping employee as well. In another case, once, when a customer asked him where the lounge was, he took her to the lounge in line with the Ritz-Carlton rule that says employees cannot point the director but have to take customers wherever they want to go. When he came back, his manager yelled at him for leaving his station unattended. This comes to mean that those rules may not be applicable in crisis situations; the Ritz-Carlton rules necessitate a sufficient support system, and if that support system is deficient as in this case, then, the Gold Standards are forfeited. For a high-class hotel, this should not be the case; a brand promise has to be valid whatever the situation is. Thus, the organization has to make sure that brand promise is kept at every circumstance; for the sake of the brand, internal branding processes should be the last to cut back on.

Cai et al (2004:201) state that Ritz-Carlton's de-branding was predicted after Marriott's taking it over; "after all, Marriott International is by far the most aggressive chain in getting other investors to pay for hotels it manages" (p.205). It was not disclosed if this is true for RCI, but obviously, their investor (which is actually a notorious group) cares more about figures than people, and RCI does not have too much of a control over that. Organizations

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have to stand up for their employees for better and for worse so that there is a deeper trust between the two. It is not fair for an organization to expect so much from employees about fostering the brand in and outside work and to let go of them at the first sign of crisis. Such incidents hurt the brand; thus, it is crucial to get the investors believe in the brand and secure their support in keeping up to its standards no matter what the situation is.

<u>Standardization vs. Adaptation of Internal Branding</u>
As an exogenous variable, ethnic culture is deeply embedded in an organizational system since it is not possible to separate employees' cultural values and background from their work-related behavior. As organizations expand internationally and enter new markets with varying cultural differences where values and interpretations differ from one to another to a great extent, it is necessary to work on human resources processes in order to achieve congruence between organizational culture and national culture (Aycan et al, 2007). It is very hard, if not impossible, to internationalize recruitment/selection and training/development processes over different geographies. Thus, within this context, internal branding processes and practices should not be internationalized; they should be adapted to the local cultural values, obviously, within the standardized limits regarding the brand.

The Ritz-Carlton is very much aware of this fact as they have very diversified workforce. *RCI human resources supervisor tells that there is a certain level of flexibility within the human resources management practices where they can fine-tune the content of certain trainings, orientation, recruitment criteria, job descriptions, etc. Although the credo card is standard all over the world, the interpretation of the 12 service values can be at variance in different countries. For RCI, all respondents say that the local culture is a facilitator in that hospitality, kindness, care and serving for others and pleasing them are innate to this culture. Thus, it is not that hard to adopt the service values; RCI's marketing manager says that there is a very desirable synergy where the local and the company culture come together which is well-observed and very much appreciated by foreign senior managers and regional managers who come to visit occasionally.* However, for a culture with different values, for instance where equality is more important and serving and pleasing others is not a priority, for the Ritz-Carlton culture to settle, certain different trainings should be provided, and they are.

In order to maintain a standardized brand all over the world, one can think that internal branding processes should be standard, too; however, when the human factor comes into the picture, perceptions change from one ethnic culture to another. Hence, to ensure a standard level of service, there should be room for fine-tuning of internal branding practices in different countries with the condition that the brand's main principle and promise will definitely be kept. As a reference point, Hofstede's (1980) study of cultural dimensions could be used to analyze and design internal branding processes in different cultures.

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VI. Limitations, Suggestions for Further Research and Conclusion

There are several limitations of this study due to the inherent constraints of qualitative research. First of all, the results of this research may not be totally generalizable over other situations, sectors and businesses; this study's conclusions may be specific to the case company and/or the hospitality sector that it belongs to. Since the aim was not measuring but understanding the concept in question, breadth was comprised for the sake of depth; thus, representativeness may also be lacking. Although the issues covered in the literature survey have higher generalizability, conclusions of the empirical study are to be accepted as guidelines rather than universal statements. Secondly, for this research, convenience and purposive sampling were used, and the objective was to select the best possible subjects from a variety of ages, backgrounds, tenure, levels and departments, but, although all the questions were answered to the satisfaction of the researcher, the fact remains that there could still exist other sources who could have provided further information about the issues at hand and who are unknown to the researcher. Besides, the amount and scope of disclosed information could vary if the study were conducted by different researchers. Lastly, there was the limitation of time, resource and scope to conduct a wider survey such as a comparison between The Ritz-Carlton Istanbul and other hotels in the same class about their internal branding practices and related outcomes.

As previously mentioned, internal branding is a new concept; thus, there are many ways to go in means of further research. This study could be done quantitatively with a fixed set of questions addressed to a statistically significant number of employees to further test if the audience of internal branding really understand and appreciate these efforts. This paper had a service company at focus; a manufacturing company could be studied to see how relevant internal branding is for their branding endeavors. The question of how to practice internal branding can be answered with a deeper analysis and examples from different companies in order to design 'an internal branding road map.' Within the critique of standardization and adaptation in internal branding practices, an international company's two subsidiaries can be assessed, and two competitors can be studied in terms of their execution of internal branding. Moreover, the role of change management in internal branding practices could be discussed. Hence, there are many places to go from here.

Simply put, internal branding is "operationalizing" the brand which means integrating the brand with all aspects of a company (Bergstrom et al, 2002). Based on the literature review on many issues within and parallel to the concept of branding and an empirical study on a hospitality business, it can strongly be suggested that *internal branding is vital for branding efforts especially for corporate brands*. It is important to understand that a brand's audience is not only its end-users; people working for that brand must be integral to the entire branding process. Internal branding is about explaining the brand to the employees, making them believe in it, getting them to support it and guiding them about how to contribute to it; and without achieving these, it is hard to create a solid and viable brand. However, these do not mean that the ends justify the means; it is crucial to pay attention to the potential mishaps that may come up due to the internal branding practices. The aim of this study was to prove that internal branding should be more emphasized and executed by a wider array of companies but in the <u>correct</u> way. Within this study, there are several possible traps pointed out that could hurt the internal branding process, and probably, others could be found, too. The important point is to have an objective stance and not hold the brand above the employees or put it before them but regard them as two parts of one whole. It should be kept in mind that only when *correctly done*, internal branding can ascertain employees' support by making them comprehend and appreciate their role in the big picture. Evidently, as Schultz et al (2000) state, prosperous corporate brands are the ones that efficiently and competently bring together internal and external branding.

"You tell customers what makes you great. Do your employees know?"
(Mitchell, 2002:99)   **59**

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Appendices

APPENDIX I

Recap about Branding

Branding and brands are everywhere, and they are inevitable; each and every product or organization is branded somehow whether they say something or just exist in the marketplace because, good or bad, every little detail communicates something about the brand.

The term branding is not only the buzz word of the business world for the last few decades but also has been around for many centuries. In ancient Egypt, brick makers used to put symbols on their bricks to distinguish their products as well as the animal owners did in order to identify their stolen animals (Srivastava et al, 2005), and in medieval times, trade unions in Europe required "trademarks" to prove their reliable quality (Farquhar, 1989). Today, the term "brand" has become multi-dimensional with the various connotations it has since brand is not only a name, logo, symbol and identity but also all tangible and intangible features of a business (Prasad et al, 2000). Brands have become valuable assets that create value for organizations generating customer satisfaction which in turn results in greater profits (DeChernatoney, 2004). Now, brand is a promise offering a relationship with the consumers that goes beyond the simple purchasing decision; it is a symbol of quality and self-definition. Believing that the numerous definitions of brand that the reference materials verbalize are too confusing for everyone to grasp, Speak (1998) created a model (Figure 1) for branding that is simple but comprehensive where he proposes that brand is composed of three main features of a business; competencies, style and standards.

Figure 1. Beyond Marketing Thought Brand Model. (Speak, 1998)

After so much has been said about branding by anybody and everybody through many different definitions, there is still confusion as to what it really encompasses (e.g. Blumenthal, 2004; Schultz, 2003b). Thus, similar to what Speak (1998) has done, to make a contribution to establishing a *shared* definition of branding, Blumenthal (2004) identifies branding by appropriately dividing it into three schools as the *image* school (job of advertising, marketing and PR professionals to deliver the message to the outside world), the *organizational* school (ensuring that employees are dedicated to delivering the brand

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message) and the *business* school (developing and practicing "revenue models, valuation approaches, pricing strategies, distribution channels," etc. to make sure the figures back up the brand-building messages and the relevant organizational efforts) (p.179).

In today's world, as Speak (1998) puts it, branding is a marketing concept that is used with "almost reckless abandon;" however, that is understandable since brands are much more important than they have ever been before due to the reason that in this complex and extremely competitive world where there are too many options with no rational differences, brands have become the platform that consumers base their choices upon (Olins, 2000). The value that a brand promises to consumers is an indication of the "risk-to-reward ratio" of buying a branded product over a similar but unbranded one (Srivastava et al, 2005). Brands mostly provide functional/rational value, but in the long run, a brand's emotional value will be accountable for its sustainable competitive advantage which derives from "a strong layer of emotional affinity or identification between the brand and constituent" (Bergstrom et al, 2002:134). Brands offer consistency to the consumers as well the opportunity to express themselves to the outside world through the products that they use.

On the other face of the coin, strong brands mean marketplace success for corporations. According to DeChernatoney (2004), brands supply a strategic focus for lucid positioning, provide cohesion in communication programs and enable employees to come to terms with the type of organization that they are a part of (Didriksen, 2003). Brands have also been considered as "primary capital" for various businesses; it would not be a distortion to say that some brands have an equity that exceeds its conventional asset value (Ourusoff, 1993). Moreover, a strong brand means a strong organization that can tolerate possible crises easier, and a dominant brand name can also be an entry barrier for other brands in some markets.

As a matter of fact, it is not quite possible to distinguish the benefits of branding for consumers from its benefits for organizations. It all comes down to the fact that brands reduce risk for consumers in several aspects; functional, physical, financial, social and time (Table 1). The benefits that the consumers enjoy trigger the boost in business performance of brands since augmented customer loyalty leads to (1) lower long-term investments that are related with maintaining a solid customer base and (2) to a steady cash-flow as the fact that loyal consumers are less likely to switch to substitute products induces a stable demand. Some recent findings even suggest that the trust customers have in branded products also reflects upon securities; customers who have an affirmative relationship with a product often have the notion that the parent company bears stock market success, so they may go and invest in them (Srivastava et al, 2005).

Functional risk →	Product performance with regard to expectations
Physical risk →	Health threat that the product poses
Financial risk →	Product's price/value ratio
Social risk →	What the product says about the purchaser
Time risk →	Opportunity cost that the failure of this product might entail

Table 1. Risks which brands reduce.

To sum up, strong brands trim down potential risks for consumers, and as a consequence, enhance market penetration due to a high referral rate, faster adoption time and faster new product trial rate. Keller (2001:15) summarizes the benefits of a strong brand as such:

> A strong brand provides a series of benefits... such as greater customer loyalty and higher resiliency to endure crisis situations, higher profit margins, more favorable customer response to price change, and licensing and brand extension opportunities.

Brands are business investments that are relatively valuable when compared with other assets, "non-substitutable" and "imperfectly imitable" (Srivastava et al, 2005:5). Thus, as well

as granting all the parties involved a favorable risk and return (Figure 2), brands allow their owners to retain sustainable competitive advantages and enhanced financial performance (Srivastava et al, 2005).
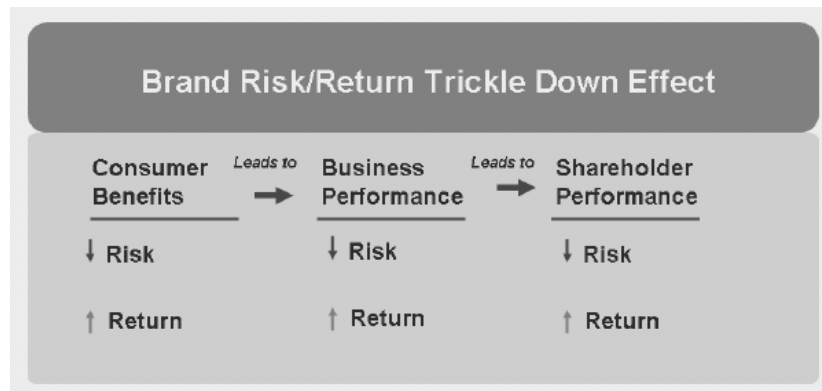

Figure 2. Brand Risk/Return Trickle Down Effect (Srivastava et al, 2005)

As brands have become more popular and significant, a whole vocabulary was created for it, its derivatives and its different aspects. Before embarking onto the next section, a brief glossary of branding vocabulary can be found below.
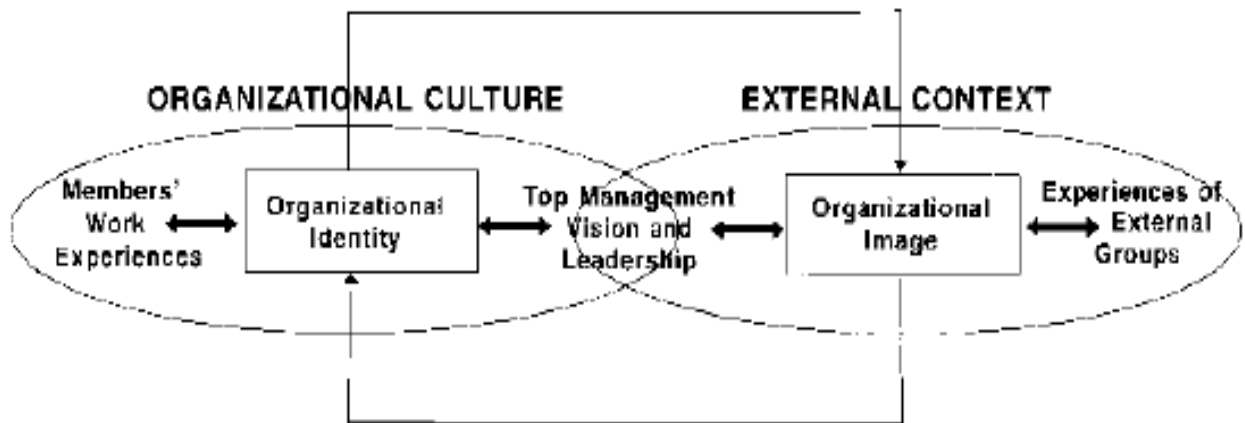

The Glossary of Branding

- **Brand Equity: The total accumulated value or worth of a brand; the tangible and intangible assets that the brand contributes to its corporate parent, both financially and in terms of selling leverage.**

- **Brand Identity: Part of the brand's overall equity; the total perception of a brand in the marketplace, driven mostly by its positioning and personality.**

- **Brand Positioning: What a brand stands for in the minds of customers and prospects, relative to its competition, in terms of benefits and promises.**

- **Brand Personality: The outward 'face' of a brand; its tonal characteristics most closely associated with human traits.**

- **Brand Character: Having to do with the internal constitution of the brand, how it is seen in terms of its integrity, honesty and trustworthiness.**

- **Brand Soul: Related to the brand character, defined as the values and emotional core of the brand.**

- **Brand Culture: The system of values that surround a brand, much like the cultural aspect of a people or a country.**

- **Brand Image: Generally synonymous with either the brand's strategic personality or its reputation as a whole.**

- **Brand Value: Also named as core value; the innermost values of the brand which is one of the several concepts that represent the main differentiation points of a brand. A brand value must be valuable for and communicable to customers, and unique and difficult to imitate in relation to competitors.**
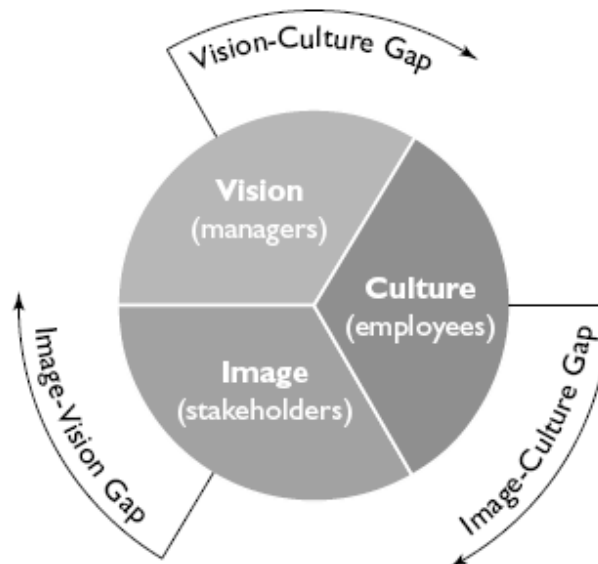

The Glossary of Branding (Upshaw, 1995: 14; Rossling et al; 2001: 135-6)

"You tell customers what makes you great. Do your employees know?"
(Mitchell, 2002:99)   **69**

APPENDIX II

ORGANIZATIONAL CULTURE　　　　EXTERNAL CONTEXT

Members' Work Experiences → Organizational Identity ↔ Top Management Vision and Leadership ↔ Organizational Image ↔ Experiences of External Groups

*Relationships between Organizational Culture and Corporate Identity
Hatch and Schultz (1997:361)*

 જ્જ્જ્જ્જ્જ્જ્જ્જ

Vision-Culture Gap

Vision (managers)

Culture (employees)

Image (stakeholders)

Image-Vision Gap

Image-Culture Gap

The Vision-Culture-Image (VCI) Model (Schultz et al, 2003:10)

 જ્જ્જ્જ્જ્જ્જ્જ્જ

Identity of consumer – added values

Brand identity – core values

Organizational identity – organizational values

The Continuous Interaction between Value and Identity (Urde, 2003:1020)

*"You tell customers what makes you great. Do your employees know?"
(Mitchell, 2002:99)*　　　　　　　　　　　　　　　　**70**

APPENDIX III
INTERVIEW QUESTIONS

Addressed to...
I. The Marketing Manager, the Sales Coordinator and the Housekeeping Manager

Internal Branding Practices & Brand Values
1. What is your brand motto/mantra –a sentence that reminds your employees what your brand represents? How do the employees get to live the brand and apply this motto?
2. What are the brand values of your brand? Can you articulate them? How do you relate them to your work? Are you informed about what they are and how you should represent your brand?
3. Or does this apply to you, too: "Talk to someone from FedEx or Saturn or Hershey or Motorola –the chances are they know what their brand is all about. They won't necessarily be able to recite the brand positioning, but they know that they are working for a winner." Is this true for you as well? If yes, how have you been informed about this?
4. Do you have an idea how the brand values were determined at first?
5. How congruent are the brand values and the organizational values? Specifically, how similar is the way you treat each other to the way you treat your customers?
6. Have you ever heard about the term 'internal branding'? Is this term used in your work environment? Do you know what it is? Is it practiced in your hotel? What do you exactly do when practicing it? What is expected from you? Is your performance evaluated about this?
7. What are your general internal branding practices? Brand charters? A magazine? Memos? Routine meetings? Training? How do you monitor implementation? Do you have a rewarding or penalizing system?
8. Do you have a brand manual and/or corporate identity manual? What does it say? What do you think it is mainly about? Is it helpful? Is it too graphic?
9. What kind of rules do you have? About attitudes, clothing? Regulation over the right of employees to speak publicly about competition, rates, occupancy, etc. – such things about the company and issues such as politics, religion, authorities that are not directly related with the company? Answering calls? Handling complaints? How about the technical equipment you use? Specific brand choice for TV's, projectors, etc.? Are there such brands that you have to stick with during or outside work –co-branding efforts?
10. Has the marketing team or company management ever articulated a "brand vision" that is where you see the brand going in the short term and long term future?
11. Has the marketing team ever held "rallies" (not meetings, rallies) to keep company employees informed and enthusiastic about its brands?

Focus on Employees
12. Do the employees know why the brand was created, how it is doing in the marketplace, how and why it is superior to the competition?
13. Are ideas solicited from the ranks about how the brand's marketing efforts could be improved?
14. Has anyone ever conducted a research among company employees to determine what they think of the brand?
15. Are members of the other departments (e.g. marketing research, manufacturing, R&D, service quality control, etc.) invited to participate in marketing planning?

"You tell customers what makes you great. Do your employees know?"
(Mitchell, 2002:99)   **71**

16. Do the non-marketing employees share your vision for the brand? Does anyone share that vision with new employees? Does anyone ask veteran employees if they can contribute special perspective on the vision?
17. Do employees feel emotionally connected to the brand or is it just another product or service sold by the company? Is the brand's health a common topic of conversation among employees who are not on the marketing team?
18. Do you see yourself as a brand ambassador? What actions do you take about this? How do you represent your brand outside work? Are you specifically told what to say or do outside work when the conversation is about your workplace? Are you willing to do this? Are you proud of your brand? Are you rewarded for promoting your brand in any way? Are your opinions and feelings asked for in this matter?
19. Do you think all employees are an extension of your brand? Do you ever spot employees who are not acting accordingly?
20. How are the employees affiliated with the hotel? What do they think, how do they identify themselves with regard to the hotel? Committed and guided or lost? Somewhere in between? What makes them feel that way?
21. Do you know what your employees tell others about your brand? How do you monitor if at all? What did you find out if you did monitor? What do you want them to say, and what do they say?
22. Give an example of what any employee has to do in line with internal branding that is outside his job description. How deep does this go?
23. Has an employee ever been used in your advertisement? Why and why not? What kind of message would that give and would it have any additional effects on you and your colleagues? Or unnecessary?
24. How do you empower your employees so that they can add value and equity to your brand or do you do that at all? If not, why?
25. Is your hr manager acting as an inside brand manager? If yes, what does s/he do?
26. Do you recruit according to internal branding? If yes, what would you do if there is a candidate totally fit for the job but lacks relevant brand values? Hire and train or not hire? What happens to heterogeneity?

Communication

27. How do you integrate external and internal communications? For instance, how do you or do you make your employees aware of external press coverage so that they know it before outsiders do? A newsletter? E-newsletter?
28. What kind of corporate communication do you have? Which tools? What is conveyed through corporate communication mostly?

"To summarize…"

29. What do you think the number one reason is for practicing internal branding? Which benefits do you think it brings about? What do you think would be different if internal branding were not implemented?
30. How important do you think internal branding is for the brand management? Do you think it is strategically necessary? Why/why not?

Let's Play "Devil's Advocate"

31. What do you think about your brand? Do you think it is greater than you or your colleagues? Do you feel <u>pressured</u> to work for your brand even outside work? Do you truly believe in what you tell outsiders about your brand or do you feel obligated to say those?
32. Do you feel pressured or obliged to do all the brand related activities that are not related with your job? Do you think too much is expected from you? Do you think you are up to all that or do you feel pushed?

"You tell customers what makes you great. Do your employees know?"
(Mitchell, 2002:99)   **72**

33. When outlining your line of duty, does the management <u>interfere</u> with your personal life? Do you think they are going too far with these rules?
34. Are employees used as a tool of WOM? Do you feel used when asked to create word-of-mouth?
35. How do an employee who is completely unrelated to marketing respond to your requiring him/her to behave in a certain way to those that are remotely your current or potential clientele?
36. Do you think your brand is <u>overcomplicated</u>? Do you have too many rules, too many tools, etc.? Do you feel lost? Or are you completely guided?
37. Was/is there any internal resistance to 'brand rules'? Are there employees who are against or indifferent to them? If yes, why?
38. Do you think brand is <u>overrated</u>? Are you being bombed with all kinds of information about your brand? Do you think it is too much or is it not enough?
39. Do you feel you are left behind on corporate news? Or do you feel that you are actually involved in something that is bigger than your job?
40. Do you think all brand materials are <u>too graphic and superficial</u>? Or do you really think that there is a solid philosophy behind all this? Does it ever sound made-up to you?
41. When RC corporate story, brand values, etc. were founded, who contributed its establishment? Was it top-down or collaborative?
42. Do your employees have a say in the brand? In how it is projected out? In any respect? Or are they just told what to do?
43. I've got your credo –do you do everything that is said here? Does everyone know these by heart? Are they happy to know these by heart or do they complain since these are not strictly related to their JD's?
44. With regard to your previous workplaces, how different is this one? Is it really differentiated? In which ways? Think about the previous corporate communication tools, corporate values, brand values, books, brochures, guidelines, etc. –does this hotel have anything different from them? Stronger or weaker? Or do they all sound the same to you –"we are the best, we have the highest quality," etc.?
45. What advice would you give to an organization that is planning to practice internal branding? What should they do/not do?

II. The Former Shift Leader, the Former Assistant Sales Manager, the Former Purchasing Agent and the Former Spa Attendant *(in addition to #I)*

1. Could you tell us a little bit about your Ritz Carlton days? How long did you work there? Under which title(s)? Why did you leave –at least, was it a personal dissension or an organizational one?
2. What did you most like about working there? Empowerment? People? Clientele, etc.?
3. What do you think of their motto and their standards? Do they make sense? Are they applicable and are they applied in true sense? Do you know about the consequences of not following these rules by experience of hear-say? The credo, is it solid enough? Does any part of need improvement, clarification, etc.?
4. What did they give in you in hard copy as a manifestation of their brand – a document of any kind that tells about their brand? Were they assertive about this or were they rather assertive about those service basics? Who taught you the brand?
5. What did you know about the brand prior to working for it, what did you think when you were working there, and what do you think now? Convincing? Believable?
6. What did you learn about the brand? Definition, explanation, execution-wise? What are the rules other than the credo? Any rules irrelevant to your job definition per se?
7. Did you feel guided enough about the brand, how to act accordingly, how to improve it, etc.?
8. Which tool do you think is the most effective for teaching the brand to employees?
9. Did you learn a lot here? Did you feel improved as a hotelier?

"You tell customers what makes you great. Do your employees know?"
(Mitchell, 2002:99)

10. Say you are working in another hotel –do you think you would be able to apply things you learned here to another hotel? Would you like to?
11. Too much repetition –is it bothering to anyone? Do you think it is necessary? Would it be better if you did that two times a week? Does it steal too much of your working time? High opportunity cost of doing it every morning for half an hour? What do you think about the line-ups generally?
12. What did you think of their rules? Too restrictive like talking only favorably about work outside? Or too pressurizing like having to respond to even unexpressed wishes of guests or like vast empowerment? Or are they just right and useful for guiding your actions –or useless?
13. With an outside perspective, do you see RC employees as a whole? Is there high homogeneity? Do employees feel like they are a part of something bigger themselves? Are they committed to work for it as to the extent they lose their own identity and become those "rules?"
14. Why would an employee leave RC? What are the reasons for a person not to be able to work there?
15. What do you think about the recruitment process?
16. What do you think about the internal communication there?
17. Have they ever asked you about your opinions about brand and marketing issues which are not strictly related to your job? Or have they ever asked you about the service basics?
18. When you were working there, did you see truly see yourself as a brand ambassador of RC? What did you do to represent it in the best possible way? Or did you try to do this at all? What does it mean to be a brand ambassador to you? What do you do accordingly?
19. If you think really hard, can you come up with something that is wrong with this system?

III. The Human Resources Supervisor *(in addition to #I)*

1. Whose duty is it to teach your employees about your brand?
2. How do you teach it? Please tell us what you tell them. With which tools? Can we see your brand charter if you have one?
3. Please tell us about your training programs. When, how often, what is the content? How big a part does brand take?
4. Do you think credo and service basics are enough to guide the employees about how to act in accordance with the brand in and out of their workplace? Do you help them about specifics?
5. Please tell us about the organizational culture here. How would you define it –strong or weak? Is there a parallelism between the organizational identity and the brand identity? –ladies and gentlemen- What are the organizational values and what are the brand values? Are these articulated and passed on?
6. Did any employee complain about your basics? Like "I can't do this," "I don't know how to do this," or "I don't have to do this –it is not my job," etc. Have you seen any signs of pressure when realizing the basics? Is it pride or fright? Internal resistance?
7. Any research among the employees about the brand and the service basics? What did you ask, what did you get?
8. Does everyone see themselves as brand ambassadors? How do you monitor that? How do you monitor if they obey the credo? What do you do if you spot they don't?
9. Too much repetition of the credo – does that bother anyone?
10. Please tell us about the recruitment process. Internationally standardized? Who decides what?

"You tell customers what makes you great. Do your employees know?"
(Mitchell, 2002:99)   **74**

IV. The Reservations Coordinator *(in addition to #I)*

1. How did your RC adventure begin?
2. What did you know about the brand prior to working for it, and what do you think now?
3. What trainings and all did you get especially about the brand? Who taught you?
4. What did you learn about the brand? Definition, explanation, execution-wise? What are the rules other than the credo? Any rules irrelevant to your job definition per se?
5. Which tool do you think is the most effective for teaching the brand to employees?
6. What do you think about your credo? Is it solid enough? Does any part of need improvement, clarification, etc.?
7. Did you learn a lot here? Do you feel improved as a hotelier now?
8. What does it mean to be a brand ambassador to you? What do you do accordingly?
9. Say you quit and started working in another hotel –do you think you would be able to apply things you learned here to another hotel? Would you like to?
10. Too much repetition –is it bothering to anyone? Do you think it is necessary? Would it be better if you did that two times a week? Does it steal too much of your working time? High opportunity cost of doing it every morning for half an hour? What do you think about the line-ups generally?
11. What would you differently if you had the power to? If you think really hard, can you come up with anything wrong with this system?

V. The Human Resources Director *(in addition to #I)*

Recruitment & Selection

1. As we have heard, as a part of the recruitment process, whether that person is recruited or not, you tell them about the RC brand. What do you tell them exactly? If I were a prospective employee, what would you tell me?
2. How does the selection process differ from two people at the same level but for different departments in means of customer contact –like engineering and FO? Are people skills as important in each and every level and department?
3. What do you measure in QSP exactly? How is it processed and where –in HQ? Would you prefer someone scoring high on QSP and low on, say, professional skills regarding that position or vice versa? Why? Can you think of an example where this logic has failed like you recruited someone with high QSP score, but you could not professionally grow him/her?
4. How many extras are working for you and when? What is the recruitment process for the extras and trainees? Don't you think it is a drawback for them not to pass through the QSP? Why/ why not?
5. What is the core purpose of Talent Bank?

Employee Training

6. Who teaches the brand to the employees? What do you teach them? Is this the same internationally? Which tools do you use? Which one is the most effective at first and over time?

Credo

7. In general, do you think this card is a goal, a vision or is it what is practiced here? If you can give a score, how would you honestly rate the implementation of this card among all the employees?
8. Does this leaving your workplace to direct a guest to where they want to go policy – how well does this work? Do such employees get yelled at –even occasionally? Is there an "unless" to this rule? Because we've heard from a former employee a bitter story about this...
9. For instance, everyone told us that there are no rules affecting privacy except the credo, but your equivalent in Dearborn says: [wondered whether the Ritz-Carlton has

"You tell customers what makes you great. Do your employees know?"
(Mitchell, 2002:99)

become more lax about enforcing dress codes and general appearance, given the lowered standards other establishments allow. "No," Gutierrez replied, "we tell applicants up front what we expect. And if someone answers that he or she will not stop wearing body piercing jewelry, we tell them they need to look elsewhere for work."] Is it the same here? Low heels, not long haired-men, etc. etc.

Commitment & Satisfaction

10. What is your employee satisfaction rate? Can you comment on their trust level? Guest satisfaction rate? How do you rank among all RC's? How did it go over the years? For instance how was it in a year that you faced a serious crisis?

11. How many people have you sent abroad to other RC's? Do you follow up on them? What do they like and complain about the most?

12. Is there a difference between the commitment or the process of commitment and the time it took to commit of the start up team and the late-comers? Difference between motivation, mentality, possession, belonging, etc.? It would totally make sense –they basically decorated the hotel before opening...

13. How do you treat or do you treat extras differently than the rest who are on payroll? In means of training, attitude, etc.?

Turnover & Tenure

14. Overall turnover ratios? Do you have your turnover ratios specifically for the customer-contact points, say reception? Or F&B? Specifically, where guests need to be recognized and called by the name? Or where guests want to see familiar faces?

15. Doesn't low turnover mean stable positions rendering promotion unlikely?

Owner-operator relationship

16. Did the owner-RC relationship ever cause a problem about brand-related practices of HR? Say, in crisis situation, what was cut out of HR's budget? Or what was the first thing you resumed after the red numbers were gone?

17. Speaking about crisis, where do you cut in a crisis situation? How do you think employee morale and internal branding suffer in such a situation?

Guidance Team

18. Can you tell us about the guidance team and their taking on this "representation" duty about different issues –like purchasing manager being clothing representative? What is the purpose? Does it have reflections external to the hotel or is it just some guidance to the employees?

19. Were there examples where your guidance team came up with something extraordinary which was approved or not approved/got reaction from the head office? How much can you deviate from the borders that head office had set for you? Where is the limit?

Scenography Team

20. How does the scenography team work? Are their ideas or suggestions really taken into consideration or is it just for motivation? Could you give us a percentage of how many ideas are realized? What do you think of this system? Is it effective enough or can it be more effective? How are the members chosen? How often do they meet? Do the members represent their departments and the suggestions/needs/wants of their departments or is it more personal? Is this the same internationally –is it new here?

"You tell customers what makes you great. Do your employees know?"
(Mitchell, 2002:99)   **76**

APPENDIX IV

THE RITZ-CARLTON, ISTANBUL

ARRIVE

Called the "hippest city in Europe," Istanbul actually bridges two continents, with an alluring blend of cultures that attracts millions of visitors each year. This colorful, vibrant jewel set on the shimmering waters of the Bosphorus Strait has been the capital of three successive empires, the East Roman, Byzantine and Imperial Ottoman. Today beautiful monuments from these periods are nestled side-by-side with modern Turkish architecture, business venues and cultural fascinations. Surprises are found at every turn in this spellbinding city. From its immense Grand Bazaar to its magnificent museums and churches, Istanbul offers countless sites to behold – and as many experiences to remember.

MEET

Timeless traditions, modern conveniences and attentive Ritz-Carlton service come together to ensure meetings and events that exceed expectations. Dedicated conference services professionals, a conference concierge, catering and culinary teams, audio-visual technicians and technology experts are on hand to attend to every detail. From intimate gatherings of 12 to grand performances for 650, The Ritz-Carlton, Istanbul turns every event into a memorable occasion.

REJUVENATE

In The Laveda Spa at The Ritz-Carlton, Istanbul, the cultures and traditions of East and West meet in luxurious harmony. This haven of tranquility offers massage therapies, facials and body treatments featuring such indulgent experiences as the Traditional Turkish Massage, Sacred Stone Therapy and Chocolate Body Mask. Guests are pampered in a choice of nine comfortable treatment rooms or, during the summer months, in an open-air Spa overlooking the Bosphorus. An indoor pool, Jacuzzi, steam room, sauna, authentic Turkish bath and 24-hour Fitness Center complete the Spa experience.

ENTERTAIN

Cintemani Restaurant, named for one of the most striking motifs in Ottoman art, offers allday dining inspired by contemporary Mediterranean cuisine and fine dishes of the Ottoman palace. The Lobby Lounge provides a relaxing spot to meet colleagues and friends and enjoy light music, traditional Afternoon Tea and evening cocktails. The lounge's Turkish marble and comfortable seating are enhanced by splendid views of the Bosphorus Straits. RC Bar exudes the atmosphere of an English private club and features Istanbul's largest
collection of fine single malt whiskies, an extensive selection of premium cigars and live music nightly. The open-air Güney Park Terrace is a delightful spring and summer setting overlooking the Bosphorus and serving Turkish-inspired grilled dishes and refreshing cocktails.

RELAX

With stunning views of the Dolmabahçe Palace and the incredibly beautiful Bosphorus Strait, The Ritz-Carlton, Istanbul epitomizes the spirit of the city. The Ottoman-inspired splendor that defines the hotel's contemporary exterior is woven throughout the interior spaces, surrounding all who enter with a sense of relaxing opulence. Complete with a welcoming array of dining facilities, an exquisite Spa, 24-hour Fitness Center and pampering guestroom appointments, the hotel is luxuriously accommodating to business and leisure travelers. Impeccable personalized service, of course, provides the crowning touch to an unforgettable guest experience.
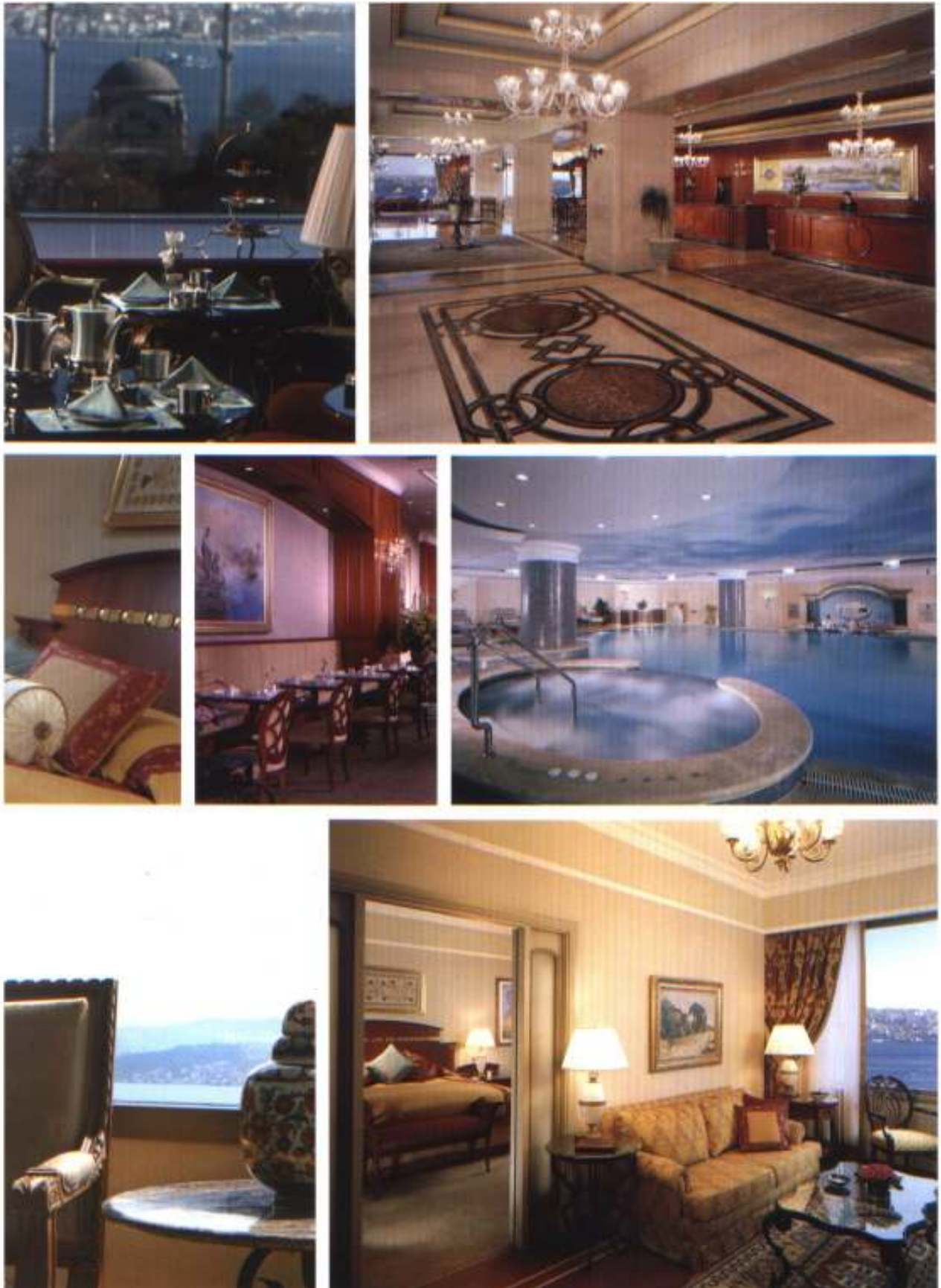
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THE RITZ-CARLTON

"You tell customers what makes you great. Do your employees know?"
(Mitchell, 2002:99)

APPENDIX V

THE PREVIOUS RITZ-CARLTON CREDO CARD

THE EMPLOYEE PROMISE

At The Ritz-Carlton, our Ladies and Gentlemen are the most important resource in our service commitment to our guests.

By applying the principles of trust, honesty, respect, integrity and commitment, we nurture and maximize talent to the benefit of each individual and the company.

The Ritz-Carlton fosters a work environment where diversity is valued, quality of life is enhanced, individual aspirations are fulfilled, and The Ritz-Carlton mystique is strengthened.

CREDO

The Ritz-Carlton Hotel is a place where the genuine care and comfort of our guests is our highest mission.

We pledge to provide the finest personal service and facilities for our guests who will always enjoy a warm, relaxed yet refined ambience.

The Ritz-Carlton experience enlivens the senses, instills well-being, and fulfills even the unexpressed wishes and needs of our guests.

THREE STEPS OF SERVICE

1
A warm and sincere greeting. Use the guest name, if and when possible

2
Anticipation and compliance with guest needs.

3
Fond farewell. Give them a warm good-bye and use their names, if and when possible.

"We Are Ladies and Gentlemen Serving Ladies and Gentlemen"

The Ritz-Carlton® Basics

1. The Credo is the principal belief of our Company. It must be known, owned and energized by all.
2. Our Motto is: "We are Ladies and Gentlemen serving Ladies and Gentlemen." As service professionals, we treat our guests and each other with respect and dignity.
3. The Three Steps of Service are the foundation of Ritz-Carlton hospitality. These steps must be used in every interaction to ensure satisfaction, retention and loyalty.
4. The Employee Promise is the basis for our Ritz-Carlton work environment. It will be honored by all employees.
5. All employees will successfully complete annual training certification for their position.
6. Company Objectives are communicated to all employees. It is everyone's responsibility to support them.
7. To create pride and joy in the workplace, all employees have the right to be involved in the planning of the work that affects them.
8. Each employee will continuously identify defects (M.R. B.I.V.) throughout the Hotel.
9. It is the responsibility of each employee to create a work environment of teamwork and lateral service so that the needs of our guests and each other are met.
10. Each employee is empowered. For example, when a guest has a problem or needs something special, you should break away from your regular duties to address and resolve the issue.
11. Uncompromising levels of cleanliness are the responsibility of every employee.
12. To provide the finest personal service for our guests, each employee is responsible for identifying and recording individual guest preferences.
13. Never lose a guest. Instant guest pacification is the responsibility of each employee. Whoever receives a complaint will own it, resolve it to the guest's satisfaction and record it.
14. "Smile – We are on stage." Always maintain positive eye contact. Use the proper vocabulary with our guests and each other. (Use words like – "Good Morning," "Certainly," "I'll be happy to" and "My pleasure.")
15. Be an ambassador of your Hotel in and outside of the workplace. Always speak positively. Communicate any concerns to the appropriate person.
16. Escort guests rather than pointing out directions to another area of the Hotel.
17. Use Ritz-Carlton telephone etiquette. Answer within three rings with a "smile." Use the guest's name when possible. When necessary, ask the caller "May I place you on hold?"

Do not screen calls. Eliminate call transfers whenever possible. Adhere to voice mail standards.
18. Take pride in and care of your personal appearance. Everyone is responsible for conveying a professional image by adhering to Ritz-Carlton clothing and grooming standards.
19. Think safety first. Each employee is responsible for creating a safe, secure and accident free environment for all guests and each other. Be aware of all fire and safety emergency procedures and report any security risks immediately.
20. Protecting the assets of a Ritz-Carlton hotel is the responsibility of every employee. Conserve energy, properly maintain our Hotels and protect the environment.

"You tell customers what makes you great. Do your employees know?"
(Mitchell, 2002:99)