ILLUMINE8

Internal Marketing Playbook

For SMBs

4 **What is Internal Marketing?**
5 **Why Does Marketing to Your Staff Matter?**
5 **Sales Process Impacts**
6 **Operational Impact**
7 **Customer Experience Impacts**
8 **How to Improve Your Internal Marketing Strategy**
9 **Conduct an Internal and External Brand Audit**
9 **Document the Process and Be Transparent with Your Team**
11 **Track, Measure and Analyze Constantly**
13 **Internal Marketing Tactics**
16 **Internal Marketing Tip Summary**

When it comes to marketing, we tend to look outward. We build strategies to engage and bring people inside our world to show them what we have to offer. Once we draw them inside, we want to keep folks there and make them devoted members of our brand community.

But what happens when a business engages someone and gets them to "come inside" the brand world and the people already there aren't bought in or are unsure of the brand community's values and purpose?

Customers these days are informed — they will know when your marketing isn't authentic and often the first sign of this is their contact with a staff member who is not engaged with your brand. When a customer senses this disconnect, it very often results in their choice to take their business elsewhere.

Our fixation outward needs to be tempered by some brand introspection.

Time and treasure spent drawing people inside while your employees are disengaged or ignorant about your brand culture and values is wasteful. Companies need to market internally to their employees so that they, too, believe in the brand; it's tough to ask a potential customer for buy-in when your team doesn't believe in the brand and can't articulate why your company is great.

Companies need to look inward and allocate more energy and resources to internal marketing. Selling your brand and its culture to your own employees is critical to building brand loyalty in the public market.

What is Internal Marketing?

Internal marketing is really a pretty simple concept. In addition to marketing your brand outward to your customers, you turn these efforts inward toward your staff in an attempt to build or improve brand awareness and loyalty.

In a 2002 Harvard Business Review article (yes, 2002, but it still resonates today) author Colin Mitchell summarizes the importance of "Selling the Brand Inside:" "Why is internal marketing so important? First, because it's the best way to help employees make a powerful emotional connection to the products and services you sell. Without that connection, employees are likely to undermine the expectations set by your advertising ... We've found that when people care about and believe in the brand, they're motivated to work harder and their loyalty to the company increases. Employees are unified and inspired by a common sense of purpose and identity."

Internal marketing and branding efforts are just as important as lead generation and the brand campaigns targeting your key buyer personas.

The reason?

Buyers tend to trust and remain loyal to authentic brands, and authentic brands are those whose external marketing and messaging aligns with what customers experience when engaging with your staff.

Why Does Marketing to Your Staff Matter?

Again, when boiled down to the basics, if there is a disconnect between what you market to the public and what your staff communicates to leads and customers you have a BIG problem.

This BIG problem is wide-ranging in that it isn't just about marketing. It also impacts staff productivity, retention and the recruiting of new talent. In short, poor internal marketing and weak internal brand cultures are problems not just for sales. Operations are impacted as well.

Let's take a high-level look at how weak internal marketing, fractured business cultures and disjointed internal branding impacts these areas of your business.

Sales Process Impacts

Weak internal marketing will rear its ugly head within your sales process. It doesn't matter if you have SalesForce or HubSpot and all the top automation and software in the world.

If your sales staff is not engaged with your brand, or is confused about its mission and core values, how can they effectively sell this to an informed customer?

They can't.

There is a level of authenticity that is expected these days. People want to buy from people that believe not just in a product or service, but also in the brand itself.

Sales staff and other employees that truly buy in to your culture and brand sell better and perform better because they're authentic. This authenticity can even overcome faulty sales processes or a lack of sales tools whereas inauthentic staff can subvert the greatest, most well-funded sales enablement system in the world.

Operational Impact

If you have an effective internal marketing strategy, and you constantly improve your internal brand culture, you create an environment where staff members are not just working for a paycheck. They are working for a paycheck and because they believe in your company.

In Mitchell's Harvard Business Review article he also summarizes the importance of internal marketing this way: "We have found that by applying many of the principles of consumer advertising to internal communications, leaders can guide employees to a better understanding of, and even a passion for, the brand vision. Applying these principles enables employees to 'live' the vision in their day-to-day activities. And when employees live that vision, customers are much more likely to experience the company in a way that's consistent with what you've promised."

At Illumine8 we are sometimes hired to assess a company's branding. What we often find is that the brand, as it's presented to the market, is fragmented, meaning a cohesive brand narrative is not being projected to the public. The website takes a certain approach, emails go in a different direction and print materials take yet another tack. For a lead or customer this causes confusion and prevents deeper engagement.

When a company looks inward this same fragmented brand image likely exists among staff members. Marketing is projecting the brand this way, sales sells something different and customer service teams deliver the brand in another way.

In both cases, damage is done to sales performance, but there are negative consequences for operations as well:

Every time a business replaces a salaried employee, it costs 6 to 9 months' salary on average.

- **Higher Staff Turnover.** High staff turnover rates damage brand continuity; strong staff retention enables your culture and brand awareness to grow and strengthen over time. If you're constantly replacing staff, it's very difficult to make headway and build a strong culture. Employees that are loyal to your brand tend to be happier and more productive workers. Happy and productive staffers tend to stay on the team longer, reducing turnover and preserving team continuity.
- **Increased Hiring Costs.** Constant staff turnover causes an increase in recruiting and hiring costs. And poor internal marketing and a weak company culture make recruiting much more difficult. According to PeopleKeep, a recent Society for

Human Resource Management (SHRM) survey and others found that "every time a business replaces a salaried employee, it costs 6 to 9 months' salary on average. For a manager making $40,000 a year, that's $20,000 to $30,000 in recruiting and training expenses."

- **Decreased productivity.** Happy workers are more productive. Dispassionate staff who aren't engaged are less productive. It's a fact and it's really that simple.

Customer Experience Impacts

Weak internal marketing will also rear its ugly head to weaken the customer experience.

Marketing might be able to attract hordes of leads. The question, then, is can your sales staff keep these leads engaged to close them? Can they keep existing customers happy and generate strong Customer Lifetime Value (CLV) from them?

This is not rocket science. It's more about having better awareness of the risks of poor internal marketing practices and taking steady, consistent action over time to address these issues.

Consider the following points:

- If your staff is not engaged with your brand, or is confused about its mission and core values, how can they effectively reinforce the brand that an informed customer has come to know via your external marketing tactics? They can't, which then leads to a lack of trust. Leads and customers are smart; they will know when there is a broken link in the customer experience chain.
- Highly educated, discerning leads and customers have myriad options when it comes to purchasing products and services. Without authenticity and trust, your team cannot deliver a great customer experience.
- Effective internal marketing strategies educate staff on your brand values and how to deliver on its promises when interacting with the market. Team members that buy in to your culture and brand perform better because they're real with leads and customers. Reinforcing brand values comes off as genuine because it actually is. This authenticity can even overcome faulty processes or a lack of tools whereas inauthentic staff can subvert the greatest, most well-funded marketing and sales system in the world.

Internal team brand loyalty and cultural buy-in breeds authenticity, which in turn helps engagement, lead nurturing and customer retention. Without effective internal marketing, authenticity diminishes over time and lead engagement, customer retention and CLV suffers.

How to Improve Your Internal Marketing Strategy

The first step is becoming aware that there's an internal branding issue. The second step is assembling a team of brand evangelists from your staff. Creating a core internal marketing working group is absolutely critical to spreading your brand gospel and keeping efforts coordinated and on track.

Divide important tasks among your internal marketing/branding work group. Set regular check in meetings. That means both short, frequent huddles and longer, deeper dive check-ins. Make it clear that improving internal brand engagement is not an "option" (i.e. it gets done when they have time), but rather it should be a priority to be treated as if it were customer or client work.

Once you have a strong, dedicated working group, you can begin.

Conduct an Internal and External Brand Audit

Using your working group, assess the current state of your branding efforts. Assign segments of your working group to external and internal assessments.

If you have already assessed your external branding via customer surveys, focus groups, customer experience polls and the like, it's okay to just turn your working group inward to assess internal branding strengths and weaknesses. If not, you have to assess the state of external and internal branding.

Why?

Because customer-focused branding and employee-centered brand engagement must align. You cannot understand internal brand awareness and buy-in without comprehending external brand perceptions.

The branding audit needs to aggregate strengths and weaknesses, while also identifying misalignment and gaps between internal and external brand perceptions. Then and only then can you execute a proper internal marketing strategy that will be effective.

- Customer surveys in various forms are a great way to measure how attached they are to your brand
- Gathering data on the customer experience, net promoter scores using a variety of well-thought-out key performance indicators (KPIs) is a great way to audit your branding
- Similarly, tracking eNPS (or Employee Net Promoter Score) via staff surveys is a great way to gauge internal brand engagement.

Document the Process and Be Transparent with Your Team

A segment of your internal marketing/branding working group needs to focus on documenting your findings. If the data is hoarded and the insights gathered are kept locked up, or worse, they only get shared sporadically and to select staff members, your efforts will not succeed.

Once you have a strategic direction, share it and execute it in a systematic way, as if you were launching a customer-facing marketing campaign (which you really are if you think about it.)

Create materials like handbooks and in-office displays and signage that reinforce internal branding efforts. Make internal branding part of the company culture and weave it into every aspect of daily life in the office.

By living the brand, your staff will be better able to naturally deliver the brand to your audiences. By believing in the brand, your staff members will actually be happier and more productive. What's more, documenting and communicating your company's well-organized, aligned and clear identity will help to not only retain employees, but also recruit them.

Before executing any kind of internal marketing efforts, leadership and your core working group must be committed to absolute transparency.

Finally, and this is very important, before executing any kind of internal marketing efforts, leadership and your core working group must be committed to absolute transparency. In other words, if you discover your internal brand awareness is poor (you have a bad eNPS; see explanation of eNPS in next section), you should still share it with your employees. If used constructively and your employees feel that you have their best interests in mind, eNPS can be a great tool for growth.

Keeping negative internal brand awareness or a low a eNPS score hidden, and then implementing changes to improve the score, could be perceived as punitive and actually be counterproductive.

Entrepreneur guest writer David Kalt had this to say about data transparency in the workplace: "Too many employees today feel like they're just going through the motions. It's the entrepreneurs' job to drive them to strive for more. Employees who can see the immediate impact of their work via dashboards can become more motivated and engaged. It never fails. An employee who makes Decision X and sees Positive Result Y will continue to perform at a high level. Similarly, a decision with an immediate and obvious negative result will become a valuable learning experience."

Track, Measure and Analyze Constantly

It's important to remember measuring internal marketing and branding impact is not a one time deal. Your brand is a complex, evolving ecosystem that can continue to thrive or deteriorate and diminish.

You must always have a means to gauge customer perceptions of your brand, also known as your Net Promoter Score (NPS) and staff engagement with your brand (eNPS). The customer experience and the staff experience have to be carefully monitored at consistent intervals to ensure the brand's health.

Internal marketing/branding initiatives require long-term commitment and constant vigilance. Without this, you'll understand where your brand stands only in a very limited window of time.

Use your eNPS, which is the internal-facing version of the Net Promoter Score (NPS), as a major Key Performance Indicator (KPI) to measure your employees' satisfaction with your company.

It can be executed by a simple, single-question survey deployed at strategic intervals over time via email. There are several variations of questions that can be posed; you'll need to find what works best for your company. That said, a typical eNPS question is as follows:

"On a scale of 0-10, how likely are you to recommend this company as a place to work?"

Sending out a single email without accompanying internal marketing efforts will not suffice. Your eNPS efforts should be marketed via office signage, email reminders, office TV graphics and other high-visibility areas of your office space. This will inspire higher levels of participation. Then, gather the data that comes back and do your eNPS calculations, which are very similar to doing the NPS math.

- "Promoters" are those that provided a 9-10
- "Passives" are those that gave a 7-8
- "Detractors" rated your brand a 0-6

To calculate your eNPS, it's simple math:

- Get a total respondent number
- Determine the percentage breakdown of promoters and detractors
- Subtract the percentage of detractors from that of promoters
- As an example, if you received 20 responses of which five were detractors and 15 were promoters, your eNPS would be 50 (75% promoters-25% detractors=50)

20 Responses:
15 Promoters (75%), 5 Detractors (25%)

75 - 25 = 50

eNPS Score: 50

eNPS calculation example

The best possible eNPS is 100 if every respondent was a promoter. Your eNPS slides on a -100 to 100 scale. For example, a negative eNPS could result from a lower percentage of promoters to detractors, resulting in a negative eNPS outcome.

In addition, remember the following about deploying your eNPS strategy:

- Keep the surveys short and easy to complete
- Avoid survey fatigue from doing eNPS pulse checks too frequently
- Keep conducting surveys over time but at reasonable, consistent intervals, say quarterly:
    - If you conduct a survey only once or twice over the course of a few years, the eNPS data you receive will be a very limited snapshot of just a few moments in time and will not yield the data you need to improve.

Internal Marketing Tactics

An employer brand is a living thing that needs to be nurtured in order to stay healthy and thrive. The workplace culture that you worked hard to embed will fall apart unless it is actively reinforced by internal marketing and branding campaigns.

A strong internal marketing strategy will build an impactful employer brand and workplace culture. The effectiveness of internal marketing, or its lack of effectiveness, has a direct impact (positive or negative) on your company's ability to hire talent, keep talent and deliver a great customer experience. A lack of new talent leads to stagnant performance and production and a lack of new ideas; the loss of existing talent does the same; these two deficiencies caused by poor employer branding and a weak culture lead to bad customer experiences that damage your reputation, increase customer attrition and reduce lead conversion rates.

Everything is connected.

To keep your internal marketing and employer brand strong, invest in internal marketing campaigns that use a variety of content types like:

- Create an employee handbook that includes the major tenets of your company culture and its brand values
- Integrate culture and brand training into your onboarding process for new hires and engage in quarterly or biannual training in this area
- Create videos, apps, posters and other visuals and interfaces that reinforce your company's core values, and celebrate company achievements and individual accolades
- Place small tabletop displays promoting your internal culture in the cafeteria, kitchen or eating areas
- Hold regular events that bring your team together to do community service or to celebrate achievements, like promotions, awards or important conference activities
- Publish employee-focused blogs and use intranet portals to execute an internal communications plan that keeps employees informed and on brand
- Engage in any programming that celebrates the culture, team members' successes and why your company is a great place to work

Now, there will be some pushback from the people holding the purse strings who might think that this is a waste of money. They'll ask: Why spend budget dollars marketing to the people that are already part of the company? How will that improve revenue and the bottom line?

How to Sell Internal Marketing to Executive Decision-Makers

The first step toward winning over those holding the purse strings is to educate them on the value and importance of strong internal marketing and consistent alignment between your internal and external brand identities.

Again, when boiled down to the basics, if there is a disconnect between what you market to the public and what your staff communicates to leads and customers, you have a BIG problem.

Be sure to focus on the positive impact of internal marketing in your education efforts, not just the BIG problem caused by dissonance between internal brand buy-in and external brand perceptions.

Those with their hands on the money want to know their investment will add revenue and foster growth, not just hold the line and simply break even. It's all about the return on investment for the c-suite and board members.

Focusing on the numbers is also a way to avoid being too preachy and pedantic, which won't help your cause.

So, what data can you use that's most persuasive? Here are some internal marketing data points you can arm yourself with before entering the boardroom to make your investment case:

8x

Content shared by employees receives 8x more engagement than content shared by brand channels.

- Gallup recently released a poll showing that 70% of U.S. employees are not engaged at work. Disengagement means lack of productivity and poor internal brand buy-in. Ask your c-suite and board: What internal marketing campaigns have we run to combat disengagement? If the answer is none or little, there's reason to believe your staff is not fully engaged. Engagement doesn't improve by accident.
- The McKinsey Global Institute revealed through a recent study that productivity sees a 20-25% improvement when employees are connected and engaged,

which translates into $1.3 trillion in revenue per year. Not sure you need to add any embellishments here. These numbers should speak for themselves.

  › You can take it a step further by conducting your own internal brand loyalty and engagement surveys to measure your team's net promoter score (internal eNPS) prior to this meeting and then showcase this data to link to the McKinsey study.

- Two stats culled by EveryoneSocial's website are also persuasive: Engaged employees who are brand advocates can have a significant impact on engagement, brand awareness, and lead generation.
  › "Brand messages reached 561% further when shared by employees vs the same messages shared via official brand social channels." (Source: MSLGroup)
  › "Content shared by employees receives 8x more engagement than content shared by brand channels." (Source: Social Media Today)
- Assure the c-suite executives and board members that internal marketing can and will be measured. Come to the boardroom armed with three or four internal marketing key performance indicators (KPIs), including internal or eNPS and link these to external KPIs to illustrate their relationship.
  › Give them clear reporting touch points and milestones so they can be confident that the money they will spend won't disappear into a black hole.

SocialEveryone frames the importance of internal marketing investment and campaigns this way: "When employees believe in the brand and are engaged in your company initiatives, they generally are going to be motivated by their work, more loyal to the organization and are more likely to be powerful marketers and sellers (brand advocates), spreading your company message. This is exactly why internal marketing and having a strategy in place is essential to the success of your company brand. If employees are in the dark or unaware of their company's goals, products, and services, there is a huge gap in effectiveness with customers and prospects."

Remember, winning c-suite and boardroom buy-in for investment in internal marketing is only the first step. Justifying that investment by reporting improved staff engagement and then connecting that data with external marketing sales results is the key to continued investment in the program.

In summary, as a marketing executive or marketing director seeking an internal marketing budget (or increased budget allocations), take these steps to win buy-in and then sustain your internal marketing program:

1. Educate key influencers on what internal marketing means and why it's important.

2. Showcase data/hard numbers that support investment in this area.
3. Ease c-suite executive and board member concern by coming to the boardroom with a suite of KPIs and reporting touchpoints for the program.
4. Carefully measure and collect internal marketing data and make the link to external marketing and sales numbers.

Internal Marketing Tip Summary

Fragmented external and internal branding disrupts a seamless customer experience, leading to lower lead conversion rates, higher customer attrition and a decrease in Customer Lifetime Value (CLV). Strong alignment between external and internal marketing strategy creates authenticity and trust, leading to a host of powerful benefits for your organization:

- Powerful internal marketing programs align external marketing claims with internal branding realities, presenting a genuine brand identity to the market
- Strong internal marketing empowers staff to be authentic and increase customer engagement
- Effective internal marketing builds a strong company culture where workers are loyal to the brand and work for more than just a paycheck
- Strong business cultures create happier workers that are more engaged with customers and more productive overall
- Happy workers are easier to retain and provide a strong cultural foundation to build upon
- Happy workers mean less turnover and reduced hiring and recruiting costs
- Strong internal marketing and culture-building closes more leads, retains more existing customers and generates more business from these existing customers, increasing revenues while reducing marketing costs

Finding the resources, time and human capital to focus on internal marketing can be a challenge. However, ignoring internal marketing isn't an option for companies that want to grow. Always remember, internal marketing can't just be passed off to your human resources person or department. Marketing expertise is required to do the heavy lifting required to build a strong program.

As the website Kapost so eloquently put it, “The normalization of the ‘Age of the Customer’ — in which customers control their own buyer’s journey and research solutions independently of the vendor — has affected nearly every function in B2B organizations. It has fundamentally changed the way business is done, leaving B2B marketers at an important fork in the road: turn left and continue creating marketing content in siloed factions and get mediocre results, or turn right to align your organization around a consistent, marketing-driven customer experience and lead the way to business growth and better customer retention.”

Ignore the internal and focus too much on looking outward at your own peril.

Executing a strong internal marketing strategy that’s aligned with external marketing and branding efforts is essential to your organization’s survival in a customer-dominated marketplace.

ILLUMINE8

Illumine8 is a creative marketing consultancy helping established family-owned businesses grow through measurable marketing, sales, and customer experience strategies.

illumine8.com