

BRANDING FROM THE INSIDE OUT AT YAHOO!: HR'S ROLE AS BRAND BUILDER

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Every day, thousands of companies spend millions of dollars to build external brand identity and customer loyalty. Branding implies more than just selling a product or service; the best companies create a strong emotional connection between the message and the product. The brand attaches meaning, the lifestyle, the transformation, the potential, the joy, and the fulfillment to the product. Today, competing for employees is as difficult as competing for customers; building employee loyalty is as important as building customer loyalty; and treating employees right is the key to treating shareholders right. Here we discuss what Yahoo! has done to build its strong branding image. © 2005 Wiley Periodicals, Inc.

What Is Branding?

Every day, thousands of companies spend millions of dollars to build external brand identity and customer loyalty. Branding implies more than just selling a product or service; the best companies sell a promise that goes with the product. If we believe what we watch on television, certain pills will give us not only relaxing moments in beautiful settings, but also happy relationships and more meaningful lives. Effective branding creates a strong emotional connection between the message and the product. The brand attaches the meaning, the lifestyle, the transformation, the potential, the joy, and the fulfillment to the product. The brand message

engages, enchants, and compels the customer to give the product a chance.

But branding efforts fail or, at best, achieve only minimal success unless the company invests in nurturing its internal brand. Employees make or break the company's brand and, ultimately, the company's results. In fact, the company that overlooks its internal brand significantly reduces the potential impact of its external brand. Just one negative customer experience can undermine the investment in marketing to promote an external brand promise. Today, the stakes are too high for any organization to leave brand delivery to chance.

Adding to this pressure is the constant need for high-quality talent among compa-

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nies. As the jobless recovery ends, talent will again become scarce, and retention will be as important as recruiting. According to recent research by Hot Jobs, a division of Yahoo!, nearly one-half of U.S. employees surveyed will search for new employment in the next 12 months. Unlike the last war for talent in the 1990s, the new competition for talent is likely to be fought on less tangible issues than financial rewards, including employee perceptions of security, organizational pride, individual recognition, and other dimensions of an internal brand.

For this and many other reasons people issues occupy the top of the business agenda, providing HR leaders with a high-profile mandate: to deliver value to employees as much as they do to consumers. Today, competing for employees is as difficult as competing for customers, building employee loyalty is as important as building customer loyalty, and treating employees right is the key to treating shareholders right.

How to Start a Branding Program

HR can bring the lessons and principles from product branding to the employee realm to build its internal brand. Better yet, HR can advocate that their companies should start the internal branding effort when developing their external brand. Marketers have research tools to determine what customers will value. Those tools are used to craft a value proposition that serves as a basis for brand promotion and advertising messages. The same research processes and premise can be used as a springboard for an internal branding strategy and for change inside an organization (Tosti & Stotz, 2000). By branding the meaning, promise, and overall employee experience, organizations can engage and enchant employees, giving deeper meaning to the promise that lies behind their daily efforts. This gives jobs a deeper resonance and results in an emotional connection that compels commitment.

In a study of 20 HR practices that increase shareholder value (and one that didn't) (Pfau & Kay, 2001), the authors related

that the best organizations use employee branding to pinpoint, distinguish, and tout the unique values, systems, policies, and behaviors that are manifested in a culture and to communicate that differentiated culture and envisioned future to employees and prospects. In a 2001 study, The Conference Board (2001) noted that employer branding is being used more widely to attract, retain, and align talent around the promises made to the customer.

Communicating the internal brand using consistent voice, look, feel, and tone throughout the entire employment relationship is the most powerful tool I have discovered for HR. Branding helps keep all the many parts moving smoothly, but it also gives HR a way to tie its programming directly to the business, speaking the language of business rather than HR jargon. Internal branding can be a very tangible way to add value. Instead of selling your latest "HR program," internal branders are selling their organization's value proposition inside the organization.

Branding Excitement at Yahoo!

At Yahoo!, internal branding was part of an entire rebranding initiative designed to position the company for a bigger future. In preparation, we defined our mission and values. This process began with research—an employee survey and a series of meetings with founders, employees, and executives. We wanted to answer the question: "What does Yahoo! want to be when we grow up?" Corporate values seemed too traditional for such an irreverent young company. One of our founders asked, "Why do we have to have a list of values? Why can't we just have a list of 'what sucks'?" That is exactly how we marketed the values, paired with a "What-sucks-and-aren't-you-glad-you-won't-find-these-at-Yahoo! List."

The values (and antivalues) became the foundation for our new brand. As we launched our rebranding, our marketers conducted an inside-out and outside-in review of the company, with HR as part of the internal review team. Internal workshops were held to explore brand characteristics,

competencies, values, and territories. A brand audit was conducted with internal stakeholders through one-on-one interviews. Extensive marketing research tools were used to learn what our customers thought about the company and our brand. This led to the identification of our core competencies and core experiences for customers. We defined our target customer as an intensive Internet user (we say they have a special Y! gene) seeking efficiency, engagement, and expansion—and Yahoo! as the “Life Engine” with everything a customer needs or wants to do.

The Life Engine brand worked as well internally, so we began our efforts to make it come to life for Yahoos (our employees). This would involve finding the unique attributes that attract the right people and that create the right experience for Yahoos, allowing us to bring out the best in our people so that they can bring their best to work. For example, to introduce our new brand internally, we gave every employee a chance to advertise what makes Yahoo! their life engine by giving out license plate frames that are customized: “My *fill in the blank* Engine.” We also held an essay contest for employees and customers to describe how Yahoo! is their life engine, with a Harley-Davidson as the prize.

As I write this, we are working on our internal brand positioning and applying it to every dimension of the employee experience. We want to find and keep Yahoos with the “Y! gene,” and we want the employee experience to fuel their life engine and their career. We do this by making it easy for Yahoos to get things done and engage by offering tools for life, guides to make it easier to navigate through the company, and special amenities that create the “Wow” experience for Yahoos.

Internal branding will change the way you design, deliver, and communicate HR products and services. Aligning the employee experience with the customer experience and the brand promise is a powerful way to establish a relationship with employees. Various moments of truth provide the opportunity to connect with employees in a branded experience from the moment a

candidate begins to think of an organization as a potential employer to the time an employee exits the organization as an alumnus. HR can create and enhance the internal brand through these interactions with employees by providing branded HR products and services (compensation, benefits, career opportunities, learning experiences, internal communications), branded processes (hiring, on-boarding, promotion, exiting), and branded infrastructure (self-service, human resource information system) to support the experience. For example, a newly branded product will be repackaging our benefits under the label “My Life: My Benefits.” This program will describe our offerings by life stages to make them real. Our efforts have just begun. We anticipate adding other “My Life: My _____” products, including My Career, My Rewards, My Perks, and so on.

Steps for Internal Branding in Your Company

So how can you apply what Yahoo! has learned to your organization? Here are a few lessons we have learned by undergoing this process:

1. *Don't work in silos.* Successful internal branding must involve all constituencies. Involve marketing, public relations, advertising, corporate communications, talent acquisition, learning and development, compensation and benefits, facilities, and any other group that delivers products, experiences, or amenities to employees. Internal branding fails if it is one-dimensional (e.g., just an employment brand or a benefits brand). The entire employee experience is the value proposition.
2. *Start with your brand promise.* Be sure you understand what your external brand promise is to your customers. If this is a brand that your marketing, advertising, and public relations departments intend to continue using for the future, you can

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build your internal message on a foundation that has already been built to reach out to the public. If your brand is due for an overhaul, use this opportunity to create a brand message that can be translated into meaningful ways both externally and internally. You can begin to brand internally without a clearly defined external brand by focusing on your corporate mission, vision, and existing products and services. For example, at Yahoo! we created a series of guides to working at the company with the look and feel of our Yahoo! Maps products. Be careful not to tread too far away from the branding your organization is already using.

3. *Think like a marketer.* Use the expertise and the techniques of your marketing, communications, advertising, and public relations people to understand how employees currently perceive the company, what they want, and how you can help them experience the company in a more positive way. Focus groups are one example of classic marketing tools that will give you extraordinary insight.
4. *Engage your employees.* To make sure your messages sustain their meaning and credibility, keep your employees involved. Answer these three questions for employees: (1) What does the company stand for? (2) How will the company deliver on its stand consistently? (3) How can the employee help the company deliver what we promise?
5. *Use powerful keywords that embody your brand promise.* Link all your messages to powerful one- or two-word messages. Yahoo! chose “Life Engine.”
6. *Be authentic.* Develop a narrative proclamation of how your organization will carry out the promise and uphold the values in the employment relationship. Don’t overpromise and underdeliver. Your brand promise should be powerful and emotionally evocative. But it must be tightly connected (and connectable) to your employees’ daily experience with the company.
7. *Update your packaging.* The promise statement can be used day-to-day to inform and guide decisions that impact the employment relationship. All communication materials—from recruiting advertisements to compensation and benefits to retirement—should be expressed following brand communication guidelines.
8. *Market the internal brand externally.* Use your internal brand to let the community, customers, and potential candidates know what it’s like to work at your company.
9. *Create internal brand standards.* For every touchpoint of the employee experience, create corresponding metrics to track performance against standards. For example, measure whether or not you deliver the right candidate experience by surveying candidates, including those you didn’t hire. Ask departing employees whether or not their exit experience left them feeling good about the organization.
10. *Build and enhance the brand.* Every brand evolves over time. Keep your messaging fresh and new. Each year, HR should plan and carry out repackaging and messaging to keep the message exciting and fun.

Through the branding process, not only will your organization benefit, but your HR team will learn new skills that are transferable to other dimensions of HR as well. By learning to think in marketing terms, your HR team will be able to help internal customers, thus building a new competence not only in the HR staff but for all managers and employees. The result of internal branding efforts is renewed energy among the entire organization.

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