

# nsu. the papers.

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Issue 02 / 2017

**Mind the gap.**

*a series of briefings from the frontline*



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**Frontline managers are  
the brand ambassadors  
of your company.**

Why brand values are nothing  
without behaviour.

27%

of employees believe  
in their company values.<sup>1</sup>

# 62%

of customers are indifferent or actively disengaged, which means they're open to switching brands.<sup>2</sup>





# 41%

of employees know what their company stands for and how they're different to competitors.<sup>3</sup>

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## What do you stand for?

### **To have and to have hold.**

Most organisations describe their brand values in some way within their marketing material these days: what they stand for as a company, what they believe in as an organisation and how those things impact the way they do business and the products or services they offer. These values often describe or imply specific behaviours - how they'll interact with us, how they'll behave in a commercial interaction and what we can expect each time we encounter them. It's a promise, normally worded as a commitment. It sets our expectation and our feelings as customers are massively impacted by whether we then 'received' what we were expecting.

Sounds great, except the whole idea's pretty broken.



### A key differentiator.

When Gallup asked more than 3,000 randomly selected US workers to respond to the statement 'I know what my company stands for and what makes our brand(s) different from our competitors', only 41% of employees said they strongly agreed with the statement, while 24% either disagreed or were non-committal. Although 60% of executives said they know what their company stands for (which implies 40% are less certain), only 46% of other managers were able say the same, with the greatest cause for concern being those not in a management role. Ten percent of frontline employees (who interact with customers every day) strongly disagreed that they understand their company's brand promise and brand differentiation, while engagement levels among service employees are among the lowest of any occupation and have declined in recent years.<sup>3</sup>

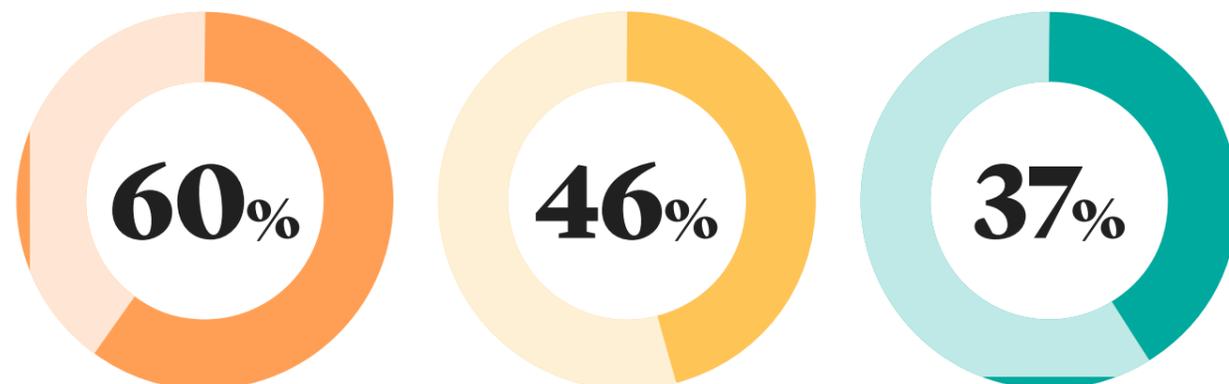
Gallup's research confirms that too many companies are failing to help their people understand what makes them different and better than the rest. In many industries, particularly those with a high degree of customer contact, too few customer-facing teams know what their company stands for. And when frontline teams can't describe it convincingly, the chances are high that customers won't be able to either. Imagine being served at that restaurant...

## 'Every customer you have is able to describe their experiences with you in detail.'

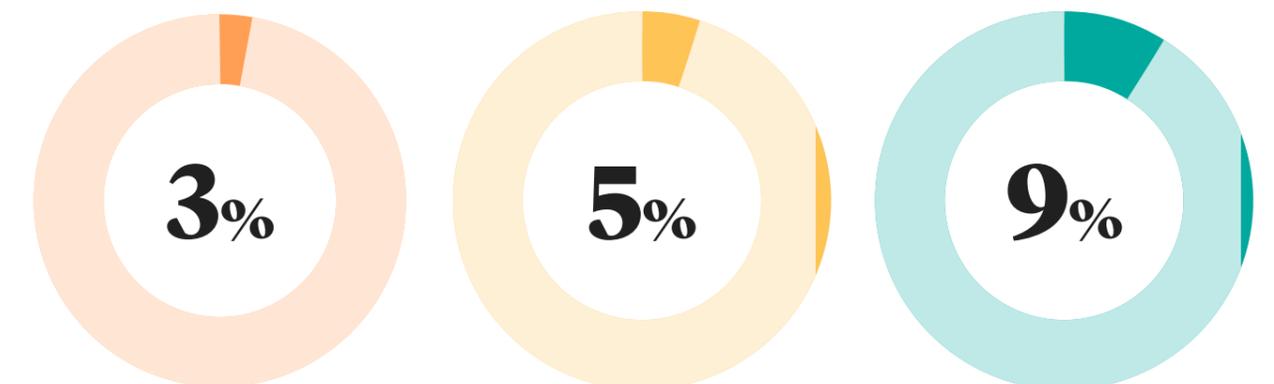
Then, when it comes to brand experience and loyalty, there's a kicker: whether it's been articulated clearly or not, whether your people understand it or not and whether they're able to translate it into everyday ways of work or not, your customers can. Every customer you have is able to describe their experiences with you in detail; how you made them feel and their personal story of doing business with you, described in words that powerfully reveal their overall experience with the people working at your frontline. And those same words get repeated at dinner parties and the tape of those stories still plays in a customer's mind every time they encounter your organisation. The impact of their overall experiences is driving, right now, whether you'll be seeing any more of their business any time soon.

Figure A

Executive ● Agreement with the statement, 'I know what my company stands for and what makes our brand(s) different from competitors.'<sup>3</sup>  
Manager ●  
Other ●



Strongly Agree



Strongly Disagree



‘...in the London School of Economics ‘Advocacy Drives Growth’ study, internal branding was highlighted as being essential to long-term customer experience results, demonstrating that ensuing improvements in word of mouth – even as little as 1% - could result in 300% revenue growth.’<sup>4</sup>

NEIL DAVEY, MANAGING EDITOR AT MY CUSTOMER

**They're your brand ambassadors.**

What all this means is simple - whether designed or not, supported or otherwise, frontline teams are the brand ambassadors of any company. Failing to help them first understand and then deliver on brand promises in practical ways is a massive performance miss. It has profound implications for customer loyalty and long-term growth.

**‘It’s not about what you say you stand for, it’s about what you do and how that makes your customers feel.’**

It’s not about what you say you stand for, it’s about what you do and how that makes your customers feel. A customer’s own experience is their personal reality when they see an image of your logo, which means your promises, however well-crafted are largely irrelevant unless they’re being delivered consistently in practice.

When it comes to brand promises, one of our mantras at NSU is this:

**Don’t tell us what you believe.  
We’ll tell you what you believe through the way you behave.**



**12**  
positive experiences are what it takes to make up for a single bad experience.<sup>5</sup>



**26**  
customers don't speak up for every single customer that does.<sup>5</sup>



**78%**  
of consumers have ended a transaction due to bad service.<sup>5</sup>





‘Even the most well-planned and expensive branding strategies will fail if a company's employees don't deliver the right brand experiences and keep the company's brand promises. Customers want relationships with people, not brands.’<sup>6</sup>

NATE DVORAK AND ROBERT GABSA, GALLUP

## **Actions are everything, always.**

They're all the same.

When it comes to brand values, unfortunately, the words often come far too easily. How many organisations do you know who use the word trust or integrity as a brand value, as though it'd be possible to market distrust or promise a consistent lack of integrity and still be successful. Another popular example is passionate - great word, but imagine a website homepage with text that read 'to be honest, we're all pretty indifferent about what we do... still up for doing business with us?'

It's not flippant to challenge brand values in this way - we think it goes to the heart of what an organisation stands for. Any set of corporate promises should be able to withstand a robust challenge or best not promise any of those things in the first place. And this questioning simply mirrors what we as customers do every single day; we judge the companies we do business with against the words they introduced in the first place and on their delivery of the expectations they told us made them different from the competition.



## **ten most common brand values**

**quality**  
**openness**  
**innovation**  
**individual responsibility**  
**fairness**  
**respect for the individual**  
**empowerment**  
**passion**  
**flexibility**  
**teamwork**  
**pride**



### **More than just lip-service.**

We worked with an organisation once whose mission statement was written large in their entrance lobby and promised to 'put individuals at the centre of everything we do.' They were a healthcare provider, so to us that felt like a commitment for every patient receiving treatment to feel like 'the centre of the universe, in the middle to all the decision-making and cared for as though they were the only person receiving treatment that day'. When we described this scenario as a service proposition to the operating board, an experienced executive argued that we clearly didn't understand healthcare and the complex staffing and budgetary pressures inherent in the system. Apparently, it was 'completely unrealistic to describe that as a goal for anyone visiting one of our hospitals'.

Our response?

**Either be it, change it, or take it down.**

But whatever you decide to do, don't be indifferent about it, because your customers (patients) certainly won't be and that promise is still hanging in your entrance lobby.

This sort of 'aspirational' approach to brand values or company vision statements has been repeated in many organisations including several NSU clients over the years and perhaps explains the low levels of understanding and brand engagement that Gallup discovered in their survey<sup>1-3</sup>.

For example, whether you call it Customers at our Heart, Customer Centricity, Customers at the Centre, Customer First or Customer Now, it's one thing to declare a commitment to world-class customer service as an intention and another for the people buying your products and services to experience the same sort of things in practice every day. You can make a poster to describe the commitment, but operational and organisational delivery requires far deeper and company-wide alignment.

‘You can make a poster to describe the commitment, but operational and organisational delivery requires far deeper and company-wide alignment.’



## What you say vs. what you do.

What we said to our client back then stands true today. At NSU, we're interested in helping companies narrow the gap between brand and behaviour and take steps to ensure their delivery matches their promises, as often as possible and in as many places as we can. And for us, there are a few important factors to consider:

### Make it all mean something.

Snappy phrases you don't use in everyday life are forgotten more quickly than you can say them. Keep it simple.

### Make it specific.

What would it take for customers to use your words to describe their experience? If you say you're passionate, make sure your processes guarantee it, again and again and again.

### Make it repeatable.

If you only do it once, don't bother. Today's amazing will be tomorrow's normal, so unless it's all repeatable, be more realistic. Under-promise and over-deliver? No thank you. Promise, then deliver wins long-term loyalty every time.

When it comes to brand development, we reckon what you say matters far less than what you actually do. This means your brand isn't your logo, mission statement or strapline. Your real 'brand' in the marketplace is about what your customers expect to happen next, defined by the ways you're behaving and developed through their multiple and memorable experiences with you.

Nothing else matters.

‘If Coca-Cola were to lose all of its production-related assets in a disaster, the company would survive. By contrast, if all consumers were to have a sudden lapse of memory and forget everything related to Coca-Cola, the company would go out of business.’<sup>7</sup>

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SENIOR COCA-COLA EXECUTIVE

## **Narrowing the gap.**

### **Ambassador, you are really spoiling us.**

The world's iconic brands are the ones who've got this right and when that happens, customers become their brand ambassadors. Loyal supporters deliver far better promotion than any marketing campaign and word of mouth that uses an organisation's own brand values is massively powerful.

## **What words spring to mind when you think of Disney, Ferrari, Real Madrid and Harley Davidson?**

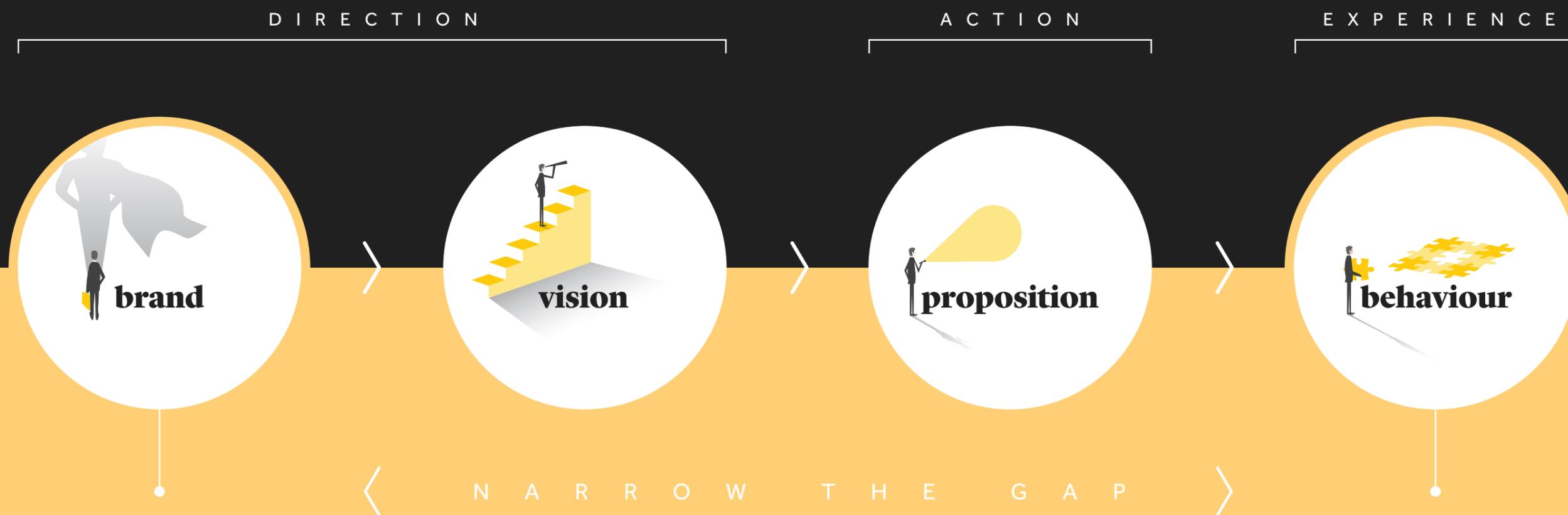
Yep, that's what they wanted you to say.

We think a similar dynamic is accessible in any organisation, but requires honesty, focus and a commitment to engaging frontline teams and obsessing about consistent delivery. And, for us, because frontline managers lead the majority of your people, they're effectively your brand made physical; their behaviours will be adopted by the teams that they lead... and these are the same people talking to your customers.



**'...because frontline managers lead the majority of your people, they're effectively your brand made physical.'**

**Your real brand is what  
your customers  
expect to happen next.**



# 240%

boost in performance-related business outcomes when organisations successfully engage their employees.<sup>8</sup>

## Engagement works.

The good news is that engaged employees really do make something happen. According to Gallup, when organisations successfully engage their employees, they experience a 240% boost in performance-related business outcomes compared with organisations that have done nothing (Gallup defines 'engaged' employees as people involved in, enthusiastic about and committed to their work and contributing to their organisation in a positive manner).<sup>9</sup> And as Harvard's Service Profit Chain demonstrated so clearly in the mid-90's, the best way to get customers engaged and ensure they stick with you over the long-term is to make sure your employees understand, are aligned with and are equipped to deliver your brand promises through what they do every day.<sup>10</sup>

**'the best way to get customers engaged and ensure they stick with you over the long-term is to make sure your employees understand, are aligned with and are equipped to deliver your brand promises through what they do every day.'**

And that means working like you mean it at your frontline engagement and in ways that ensure your brand values are meaningful, specific and delivered by your people on the ground every day. **Which is only what you promised in the first place.**



‘Companies are largely failing to make good on their agreements. Only half of the almost 18 million customers Gallup has surveyed strongly believe that the companies they do business with always deliver on what they promise.’<sup>2</sup>

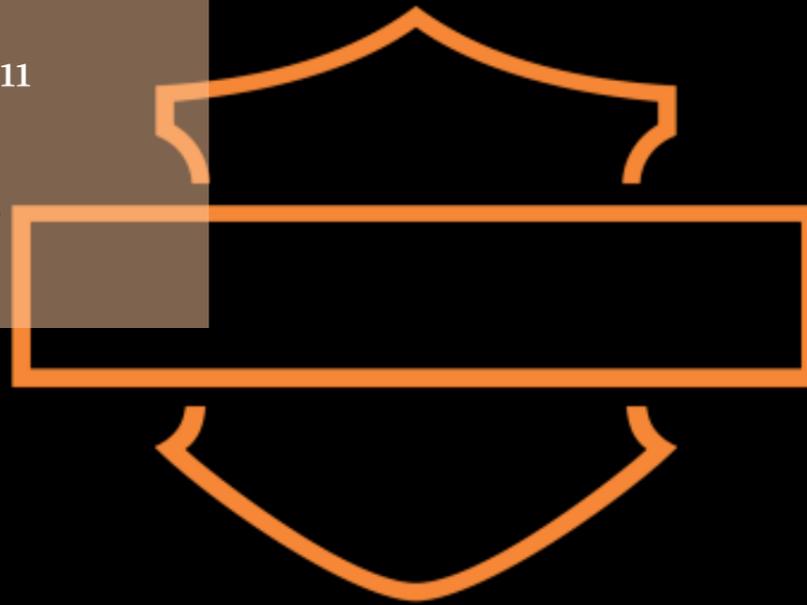
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ED O'BOYLE AND AMY ADKINS, GALLUP

‘The adventurous pioneer spirit, the wild west, having your own horse, and going where you want to go – the motorcycle takes on some attributes of the iron horse. It suggests personal freedom and independence.’<sup>11</sup>

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RICHARD TEERLINK, FORMER HARLEY-DAVIDSON PRESIDENT AND CEO



**Telling stories**  
**from the frontline.**

NSU Media is an employee engagement agency focused on telling stories from the frontline of organisations that inspire, support and develop their people.

Our programmes help frontline managers form a strong internal identity and lay a foundation for ongoing learning and sustained improvements in performance and customer satisfaction.

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