

Chapter 19

Behavioral Branding as a Customer–Centric Strategy

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ABSTRACT

Behavioral branding is an integral part of contemporary business strategy. It aims to align external brand promise with employees' brand building. Two-way branding strategy reinforces the brand and increases customer satisfaction because people are the ones who convey the message regardless of their hierarchical level or job description. The purpose of this chapter is to provide conceptual discussion on the major issues of behavioral branding, to summarize the existing models so far developed in various conceptual and empirical studies, and to present the two-way branding strategy construct. It reviews the critical success factors of behavioral branding, and based on the arguments from the existing body of knowledge, presents strategy, internal communication, leadership, and the organizational culture as the most important and effective ones. Finally, the influence of behavioral branding strategy on the marketing and financial performance of the company is discussed.

INTRODUCTION

Behavioral branding is the brand consistent employee behavior. It is an integral part of the company business strategy and particularly an important component of its branding strategy. In the last two decades, the research on behavioral

branding has been growing and it is no longer an unexploited frontier, though marketing scholars and practitioners have not yet accepted unanimously the definitions. Branding behavior can be considered a synonym for internal branding. The studies describe them in a similar way. Tomczak et al. (2009) states that “the behavioral branding

basically deals with the brand-oriented activities of the company's employees" (p. 6). Behavioral branding is a managerial task to direct employees' behavior towards brand building and brand sustainability. The Canadian Marketing Association defines internal branding as "the set of strategic processes that align and empower employees to deliver the appropriate customer experience in a consistent fashion" (MacLavery, McQuillan, & Odie, 2007, p. 3). "Internal brand management is based on the view that the behavior of employees lies at the heart of any brand" (Burmahn, Zeplin, & Riley, 2009, p. 265). The empirical studies support the view that brands can be significantly strengthened by applying targeted internal brand management measures or behavioral branding. "Internal branding builds brand ambassadors who deliver the brand promise and who speak positively on behalf of the organization" (Alcorn, Campanello, & Grossman, 2008).

Employer branding is also part of the branding strategy and is connected to the behavioral branding. However, it focuses on "the package of functional, economic and psychological benefits provided by employment, and identified with the employing company" (Ambler & Barrow, 1996, p. 185). Internal branding is characterized also as a specific tool in the wider framework of internal marketing (Mahnert & Torres, 2007).

Based on literature review on behavioral branding and brand management and unstructured interviews in local and international companies with operations in Bulgaria and Turkey, the chapter offers an approach to brand alignment and discusses the related internal and external managerial tasks of the company. The chapter objectives are:

- To present the increasing importance of behavioral branding in the brand management of the company.
- To provide a theoretical construct defined as a two-way strategy for harmonizing external and internal branding.

- To discuss critical success factors in the behavioral branding process.
- To ascertain the impact of behavioral branding on marketing performance.

BACKGROUND

Generally, branding behavior is about the growing importance of people in the branding process since they are the ones who convey the message regardless of their hierarchical position and tasks. The concept is developed in accordance with the trend of brand augmentation. Branding evolves from a product mix decision to an essential element of the company's overall business strategy since it represents the meaning of the product or service to customers. "Brands are a key element in the company relationships with consumer" (Kotler & Armstrong, 2010). Building strong brands was focused for a long time primarily on the consumers. The behavioral branding is a customer centric strategy that increases the opportunity to build competitive advantage for the organization through people. It allows the employees to understand their role in delivering the brand promise, keeps them motivated because it provides a core principle to believe in, be proud of, and become brand ambassadors. Behavioral branding decisions help the company also to recruit new talent and retain employees.

The growing role of employees in branding can be explained by a variety of reasons. One of them is the shift in economy to services where the employees are "the entire chain of relationship between the organization and customers" (Pujaisri, Wilson, & Evannschitzky, 2008, p. 409). The brand promise has to be delivered in all the contact points with customers because in a market rich in brands consumer experience and exceptional customer service are major reasons for customer satisfaction. Another reason for the rising importance of behavioral branding is

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