

# Planning Internal Marketing

By BNET Editorial

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While most companies allocate resources to understanding and communicating with their external customers, few make the same investment in time, energy, and money in communicating with their internal customers—their employees. Internal communications is traditionally viewed as the sole province of the Human Resources department, but it's essential to recognize the importance of marketing to internal customers.

## What You Need to Know

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### Why is internal marketing important?

Although external marketing remains the most important business development task, it is essential to sell inwardly toward a company's people. When employees understand and commit to the value proposition of the company and its brands, external marketing becomes more effective, because the employees become product champions.

### What is the scope of internal marketing?

Internal marketing includes the communication of corporate culture and goals, mission and vision statements, as well as personnel policies and procedures. It can also involve initiatives such as informing staff about new product introductions or new acquisitions.

## What to Do

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### Understand the Need for Internal Marketing

Internal marketing is becoming increasingly important as the pace of change accelerates.

- Many companies are undergoing some form of transformation through mergers, alliances, or downsizing. The need for communication is stronger in these circumstances.
- When companies also change their brand, their name, or their values, it is essential to communicate the change to all stakeholders including employees.
- As companies empower staff to build stronger customer relationship, internal marketing underpins the drive for greater involvement, commitment, and understanding.

- Constant organizational change can loosen the ties between employer and employee. Internal marketing can bring the parties together with shared goals and values.
- Internal marketing helps the process of knowledge development by building understanding and commitment to personal development.

## Recognize the Warning Signs

An internal marketing program is important to any business in which staff actions affect the quality of customer service. It is particularly appropriate for staff who are not directly in touch with customers and who may be overlooked in a customer-care training program. In a manufacturing company this might include accounting department clerks who produce inaccurate invoices, warehouse staff who pick the wrong parts, or departmental managers who refuse to cooperate in allocating resources to customer-facing activities.

In many businesses, it is the people who deliver the service—the technicians and engineers—who are crucial. However, they may be “hidden away,” never exposed to a customer. Any customer complaints are filtered, and the customer never gets an opportunity to talk directly with the people responsible for the problems. The same applies in situations in which there is a layer of account management between the customer and the service provider.

It is the barriers between the customer and the people who provide the service that make internal marketing programs so important. These are the business scenarios that indicate when a program is necessary:

- There are high levels of customer complaint with service standards.
- The complaints can be attributed to poor performance by staff who are not in direct contact with customers, although some staff may be.
- The problems cannot be overcome by quality actions or by change to the physical processes.
- The problems are rooted in poor staff attitudes or a lack of understanding of customer needs.
- There is no mechanism for the key staff to learn about customer needs; the staff are trained in technical skills but have no experience in customer care.
- Customer concerns can be identified through surveys and questionnaires; and it is possible to get specific comments from customers.

## Plan an Internal Marketing Program

Planning should begin by identifying the gaps between what the staff believes the essence of the business is, what management wants it to be, and the way customers see the organization. When

all three are in harmony, the company becomes a customer-focused organization. The internal marketing plan should therefore include the following elements:

- review of internal and perceptions
- target perceptions
- current internal marketing activities
- internal marketing objectives
- key messages
- communications strategy
- program measurement

## Set Measurable Objectives

When you have agreed on your internal marketing plan, you should involve the specialists from your marketing and communications teams and set measurable objectives. The overall objective of the program should be to rally employees around the company's main brand. Other goals of the program should include:

- raising levels of awareness of the brand;
- ensuring the understanding of key messages about the brand;
- encouraging staff to recommend the brand to customers and colleagues;
- attracting visitors to the company's intranet, particularly pages about the brand;
- ensuring attendance at internal events.

All of these activities are measurable and should be monitored to ensure the success of the program.

## Share Information Openly

Internal marketing success demands effort to succeed. It also requires a commitment from the company to share information openly with employees at all levels. This open attitude is essential because informed employees can be the strongest advocates for the company. If they understand the company's direction, its policies, values, brands, and products, they can become true champions.

## Target the Right Internal Customers

Internal customers do not represent a single homogenous market. Like external customers, different groups will have their own buyer behavior and different levels of awareness. One recommended form of segmentation is to divide employees into three groups:

1. supporters
2. neutrals
3. opponents

Each group requires a slightly different internal marketing mix to ensure that you achieve your internal marketing objectives. For example, if you wanted to introduce changes in the way that your customer service team dealt with customers, you could target the supporters with communications explaining how to implement the changes. You could encourage the neutrals to participate with an incentive program linked to service training, and you could target the opponents with more persuasive forms of communication designed to change attitudes.

## Focus on Customer-Facing Staff

Communicating with customer-facing staff is critical to the success of any external marketing initiative. These employees are in direct contact with customers in a variety of different ways—face-to-face, on-line, or on the telephone. Customer relationships depend on the attitude, knowledge, and loyalty of this group. If they are committed and fully-informed “champions” they can make a major contribution to building long-term customer loyalty.

Strong customer relationships are a critical issue because of the high cost of finding and winning new customer, compared to serving existing customers. An investment in communications with customer-facing staff is therefore a cost-effective strategy. The communication program should include:

- brand values;
- product information;
- customer service strategy.

## Use Multimedia to Communicate

Internal marketing uses a wide variety of media to communicate with different audiences.

- E-mail can replace printed bulletins or newsletters with sophisticated electronic bulletins incorporating images, sound, and video, as well as written messages. The communications can be distributed to the employee's internal mailbox or home address for more personalized viewing.
- Special events can be effective in building team spirit and raising internal awareness.
- Internal focus groups run by external research specialists can help to focus attention on employee attitudes and levels of understanding. This information can form the basis for program planning.
- Webcasts and internal online news bulletins can be an effective way of communicating information quickly and effectively.
- Intranet pages on product, brand, and customer service issues provide an information resource that is accessible, cost effective, and easily updated.
- Viral or guerilla marketing programs can spread key messages quickly and effectively by word-of-mouth.
- Physical marketing items such as posters, intranet advertisements, screensavers, or desktop items can act as visual reminders of important internal messages.

## What to Avoid

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### **You Ignore Internal Marketing**

There are many important drivers for internal marketing. However, many companies ignore it, or leave it to the human resources department. A study by Intercommunic8, reported in Marketing Week showed that 85% of companies did not even have a human resources or marketing budget for internal promotions.

### **You Fail to Synchronize Internal and External Messages**

If you handle field sales, advertising, direct marketing, customer service, and telesales through different departments or external agencies, your customers could be receiving a different message every time they contact you. It could be costing you money as well. You may be missing additional sales opportunities, and you could be duplicating some of your customer management costs. Talking to customers with a single voice ensures high-impact marketing campaigns, increases retention rates, and maximizes return on marketing investments. Internal communications should therefore feature the same messages that you use in external communications.

## Where to Learn More

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### **Books:**

Drake, Susan, and Michelle Gulman, and Sara Roberts. *Light Their Fire: Using Internal Marketing to Ignite Employee Performance and Wow Your Customers*. Kaplan Business Books, 2005.

Ahmed, Pervaiz K., and Mohammed Rafiq, *Internal Marketing*. Butterworth-Heinemann, 2002.

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