

Culture Is the Brand: Making Your Company's Culture the Essence of Your Brand

Bob Murray*

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Businesses rarely think of their internal culture as integral to their marketing efforts. The two are usually the province of different people: culture is the bailiwick of the HR, or some other more specialized department, and marketing is, well, the province of Marketing. It is neat—it is tidy and it is a great mistake.

The separation of culture and marketing rests on three wildly wrong assumptions:

- Purchases of goods and services are nearly always based primarily on a consumer's need for that product or service.
- Purchasers are swayed as to which product or service to buy by price or perceived value.
- Advertising and marketing can, by themselves, create a brand image.

My firm, Fortinberry Murray, is frequently called in to help companies that have floundered

because they behaved, often unwittingly, as if these assumptions were true. They have trouble believing that the first can possibly be wrong—even when they are shown the hard neurological science proving, beyond doubt, its fallacy. And even after all the media to behavioral economists who tell us that buying decisions are not based on rationality.

The purpose of branding is, of course, to increase sales through increasing positive public awareness of a product or service, and also to attract and retain the best talent. Everyone accepts that this is a true, if somewhat limited, definition. But if this is really true reason for having a brand, then, because of what we now understand regarding the neuropsychological and even genetic drivers of the decision to buy a product or service, we have to look at branding more closely than

* Bob Murray, MBA, PhD, is the co-founder of Fortinberry Murray and international consultancy specializing in strategy and change management. Their clients include Ford, McDonald's, Caterpillar, BHP-Billiton, Wesfarmers, Westpac, PwC, KPMG and many major international law firms. With Alicia Fortinberry, PhD, he is the author, most recently, of *Raising an Optimistic Child* and *Creating Optimism* (McGraw-Hill). The author can be reached at bob.murray@fortinberrymurray.com

we have done in the past and align a brand more intimately with those primarily 'non-rational' drivers.

What do we mean by brand? Most people believe a brand is a positive and distinctive impression of a service, product or even person. A more recent and in-depth definition from Marketing Management is "a multidimensional construct, matching a firm's functional and emotional values with the performance and psychosocial needs of consumers" (Riley et al., 1998). It is where the brand intersects with these psychosocial needs that the role of culture and a sense of belonging to that culture comes into play. Professor Graham Hankinson of London Metropolitan University says that a brand is "a relationship with consumers and other stakeholders, focusing on behaviors rather than communications" (Hankinson, 2004). A brand, then implies both a relationship between the business and the customer and a call to action on the part of a potential buyer in order to promote or establish that relationship.

Looking primarily at the example of Apple under Steve Jobs, I want to show that a really successful company creates that relationship and underlines the call to action by bringing potential and existing customers into its culture. If you sell the culture people will buy the product.

The Decision to Purchase

As the above definitions show business is getting more sophisticated about the nature of 'brand,' just as we are getting more sophisticated about the nature of the decision to buy. Over the last few years, the whole concept of decision-making has become a battleground between neuroscientists looking at what actually happens in the brain when it makes a decision (to purchase or almost anything else) and traditional management, sales and marketing professionals,

many of whom find it difficult to come to grips with the studies.

Much of the new research is focused on the deeper question: What is being human all about? Put simply, the new findings show that humans are primarily relationship-forming animals. This simple fact has profound implications for all aspects of our lives and nowhere more than in the fields of sales and marketing.

The Need for Relationship

Relationship is fundamental driver that underlies all purchasing decisions and probably all decisions apart from those based on unthinking habit (changing gears in a car for example). Humans seek safety by surrounding themselves with a nexus of supportive relationships. They mostly behave as they do and make the choices they do in order to form or bolster what they consider to be a supportive relationship. That this is the true reason for the behavior in question is not always obvious to the casual observer and this is why so many sales and marketing professionals have been misled into dismissing the research.

Status

For example, one of the fundamental needs of a human being is status, and indeed a tremendous amount of marketing effort is devoted to showing that people will gain status by purchasing particular products (cars, jewelry and electronic gadgets most obviously, but also ordinary household products such as soap and cutlery). Done well it is a very successful ploy. In terms of our genetics and neurobiology, status is really about relational safety and the reason for it lies deep in our evolutionary inheritance. In times of danger, our early hominid ancestors sacrificed lower status individuals first to dissuade predators from attacking the higher status members of the pack, as baboons, for example, still do. Low-status baboons are forced to sleep in branches below

the others, where they are easier prey to leopards and will raise a ruckus that warns the others. Therefore, to our ancestors the drive for status was very much a survival issue. That is still the subconscious driver. We feel safer if we think that people view us of higher status and therefore worthy of support and preservation. An organization that gives all its members a sense of status is therefore clearly one people will want to join.

In sales, this need for relationships affects both the buyer and the seller. The purchase decision is based on whether the two sides of the transaction have enough real or potential commonality (one of the two main bases of all relationships, the other being the mutual satisfaction of need) for their brains to decide to strengthen or make real that relationship by means of a purchase/sale of goods or services. Many studies have shown that salespeople who emphasize what they have in common with a client or customer are more successful than those who concentrate on waxing lyrical about what they are selling (Palmetier, 2008). Studies have also shown that one of the primary motivators of salespeople is the need to create relationships with their customers (Moberg et al., 2011).

Cultural Commonality

Looking beyond the salesperson-to-customer relationship to the business-to-customer one, the same sort of dynamic comes into play. Cultural commonality plays a big part in successful marketing through encouraging the customer to form a virtual relationship with the business. A customer will buy from a particular business if he feels that the business has commonality with them and can meet their psychosocial needs.¹

This commonality is very largely cultural. An innovation enthusiast may buy from Apple because he feels that Apple has a culture of innovation and is peopled by innovators who understand him and his need for novelty. Apple and its people can therefore be seen by the relationship centers of his brain as, in a sense, part of his support network (Cosolino, 2006). It is the cultural commonality which turned Apple from a bit player in the computer market into the powerhouse it became and provoked people to buy the iPads, the iPhones and the iPods in such numbers. Since the passing of Steve Jobs, the company has lost some of that original innovation-friendly image and is seen rather as just another corporation. I believe this, rather than any real difference in their products, is one of the reasons that they have been losing market share to rivals such as Samsung.

Another example of the attempt to create cultural commonality with the target market was the marketing effort that Philip Morris (PM) put into creating, externally and internally, a culture appealing to youth for their cigarettes in the 1990s (Hafez and Ling, 2005). PM identified core similarities in the lifestyles and needs of young consumers worldwide, such as independence, hedonism, freedom, and comfort. They employed and promoted people of the generation they were targeting. They used young, good looking promotional staff, both men and women, to go to venues where other young people hung out, to promote cigarette brands to them (BMJ Blogs, 2013). Their marketing and their cultural image were geared towards displaying commonality with their consumers—just as Apple's. In both cases, brand and cultural identity with the customers went together.

¹ The psychosocial needs primarily involve status, certainty, autonomy, relatedness and fairness. For an example of how they are used by tobacco companies see Anderson et al. (2005).

People feel safe buying from those that they feel are like themselves whether they are buying a cigarette, a computer or a car. The cigarette company, or the computer company are, literally, seen by the brain as part of the consumer's support network and the natural desire to be closer to those whose support you rely on is a major reason that you feel safer and more comfortable buying their product or the service.

The Lure of Tribe

We have seen how the goods and services can offer status and a sense of commonality and affiliation. Customers also are drawn to the magnetic appeal of a group of people who enjoy and respect each other. We convey, in terms of our hunter-gatherer brain, a strong sense of tribe.

My colleagues and I were struck by this in our experience of two top-tier global law firms. Both were technically excellent and built very strong, dedicated relationship with their clients. However, Firm A won far more work than Firm B. Fascinated, we went along to a couple of client meetings and pitches to see if we could determine the 'X factor'.

What we discovered was that the lawyers in Firm A joked with each other commonly, spoke highly of colleagues in each other's absence and praised each other unself-consciously in meetings with the client. Firm B seemed to be vying for the clients' attention and even, in a few extreme cases, for work. Firm A's clients were subconsciously drawn to the warmth and convivial atmosphere of the group and they felt at home with them, and safe. In a sense, they wanted to experience being a part of the tribe and made opportunities for that to happen. Firm B's clients did not feel relaxed and confident in their advisers. In some cases, they felt uncomfortable.

² <http://blog.hubspot.com/steve-jobs-inspirational-quotes-im-slideshare>

Culture and Marketing

To understand how culture and the brand are mutually reinforcing, it is important to understand what we mean by culture. There are six main determinants of culture and by looking at these we can see how Apple successfully used each to reinforce cultural alignment with its core customer base and made this the cornerstone of its marketing.

- **Language:** Companies like Apple endeavor to speak the language of their customers. When this is done well, it seems unforced and natural. If you speak my language, you are part of my tribe and I feel safe with you. However, the language has to be natural to the people who work in the business as well, it has to be part of their culture. You cannot successfully promote a culture which is not true. The language of Apple was that of the rebel, the nonconformist, the outsider—even when the majority of people were using Apple products. Jobs himself emphasized this aspect of the Apple culture in all his interviews.²
- **Rituals:** Rituals bind people together, they are a large determinant of culture. This is as true of corporate rituals as it is of religious and family rituals. Apple consciously ritualized the experience that people had when entering their stores (Suk-Young, 2013). If you dispassionately watched the almost choreographed greeting, ushering customers into the hallowed area where they indulged in the shared ritual of the unpressured using of the hardware on display, or talking with the priestly tech 'genius' you would clearly see this ritualization of experience in action. The feeling was that the rest of Apple must be like this. To be in this showroom you were 'in.' Not a customer in a corporate sales area, more a member of a church dedicated to the

worship of consumer technology. And Jobs was the High Priest.

- **Values:** Like rituals and beliefs, shared values keep a culture alive and a community united. When people are engaged with a business, or any individual or organization—when they feel committed to the relationship with it—they tend to adopt its values. This is rather like people adopting the values of a sect they belong to (Stark et al., 1980). The caveat, of course, is that the values have to be ones that the target group can accept. Only one Apple value was ever stated explicitly and that was ‘innovation.’ The beauty of this was its clarity. It was something that everyone could recognize. Customers felt that they were adhering to this value every time they bought an iPad or an iPhone. It was why they would queue up for hours, sometimes days, to be ‘innovative’ in their purchase. Because the company was seen to hold true to its value, the customers could adopt the value and therefore be true to the company. A company does not need to have an elaborate set of values. Like Apple, one value adhered to by the whole organization will do.
- **Beliefs and Assumptions:** A culture is based largely on shared beliefs and assumptions. You are more likely to trust and to associate with people who, you believe, share your core beliefs. To establish a cultural bond, a company must be seen to share the beliefs and assumptions of its clientele. The assumed but unwritten beliefs that tied Apple to its client base were that most human problems could be solved through technology, that the future of relationships was by way of digital communication, that instant access to data was of great importance and that great craftsmanship was vital and worth paying for. Anyone who doubted these assumptions

was not a true believer in the church of Apple and could never be part of its culture. But if you did believe then you were buying not an electronic gadget, you were buying a tribe, you were buying belonging.

- **Social Collectives:** A social collective is any group of people who usually live, work, socialize or regularly communicate together. They will tend to be mutually supportive, stable and trust each other. Usually, any large organization will have a number of these social collectives within it which can often form countercultures diluting the business’s overall culture and thus brand message. Apple was at great pains to promote the appearance of a unified culture within Apple itself and to turn its customers into a social collective. The Apple headquarters, for example, was built to encourage social mingling and sharing of ideas. In this, they were tremendously successful. It is easy to belong to the Apple social collective: just buy the full suite of Apple products and talk about them to other members! (Eades, 2011).
- **Roles:** In any effective culture, everyone knows the role that they play within it. Apple’s genius was to extend this so that everyone within the company, as well as their customers, understood their role. There was one role which everyone from developers to customers had: to promote the brand and the image of Steve Jobs. Everyone’s role was to be a part of marketing (Schultz et al., 2011).

Any organization can do the same thing that Apple and that Law Firm A did. Indeed if you are marketing a product which is generic it may be the only effective way to go. It often surprises me that the makers of nails, or the purveyors of financial services do not catch on, which, despite their best marketing efforts are both seen as undifferentiated. Earlier, this year PwC Global declared that going forward, the only real

differentiating factor of a financial services firm will be its culture³. Many firms no doubt took this on board, but the main result has been either inaction or attention only to strengthening the commerciality of the firm's internal culture. What the Apple example shows is that this is a tremendous lost opportunity. Customers or clients are not really interested in a culture that it only geared to selling goods or services to them. Clients have no incentive to belong to that tribe or to see those businesses as part of one's support network and strengthen that relationship through purchase of their offerings. ☺

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³ <http://www.pwc.com/gx/en/insurance/insurance-2020-unleashing-the-value-from-values.jhtml>