

# teaching note

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## Summary of the Case

The case begins by describing a brief history of Singapore Airlines (SIA) and provides an industry analysis over four decades. Then, the case is organized as follows: First, it describes recruiting efforts extended from at home to overseas. Second, it introduces the internal branding processes where the company communicates with employees in respect to training, development programs, and managerial support. Third, it presents how employee branding works for external communication. Finally, several questions and potential applications related to other hospitality businesses are posed.

While many airlines first consider reducing staff during a crisis (Bamber, 2009), SIA looked at other avenues to cope with competition. From the initial operations when SIA was separated from Malayan Airways, a dedication to branding has been their strategic goal to set themselves apart from the competition. SIA realized that the brand is not solely delivered by management; rather, employees should understand the company's strategy and take action to commit to the brand promise. The main focus of the case is that SIA's employee branding strategy is integrated throughout the organization.

SIA endeavors to launch internal marketing initiatives to ensure employees understand strategic goals in the development of the employee branding process. The case introduces the various components of the branding process: recruitment, training & development, and management involvement. Indeed, details define how each process affects front-line employee service skills and how service encounters are presented. Then, going forward, it describes how essential it is to communicate to employees the importance of their role in SIA's business and enhancing the brand. SIA consistently strived to advertise their brand promise through employee branding and engaged them in the process of external communication as well. As a result, employee branding became the distinctive competence for the company.

## Teaching Objectives and Target Audience

This case study examines how SIA brand is personified by their flight attendants. In addition, it examines management's support and focuses on how this support can improve service quality and ultimately brand reputation. Therefore, the case provides learning opportunities for students related to: (1) examining how SIA chose brand as the integral part of their strategic goal (2) identifying how SIA built the brand through the service employee, (3) assessing the relevant mechanisms as to how the internal branding process affected employees' service skills, (4) analyzing the effects of employee branding on a company's external communication strategy, and (5) evaluating the SIA's employee branding with respect to changing trends in the environment.

The case is recommended for analysis and discussion by a wide range of classes and potentially covers numerous individual topics. However, it would mainly be suitable for in-depth analysis of advanced undergraduate and graduate students in a marketing, strategy, or HR class. Additionally it could be useful in any class wishing to address strategic issues in branding.

## Teaching the Case

This case was developed through the use of secondary research materials and the author's insight from personal experiences. The case allows the instructor the flexibility of concentrating on marketing and HR issues, or as a separate module for brand strategy in the area of the ability to survive at a time of changing industry and customer trends. Students could also assess other airlines and develop SWOT or other types of analysis to assess the position of these airlines relative to SIA. Students in Human Resource classes could be asked to examine the challenges for management of SIA who must recruit, train, and retain outstanding employees. The instructor should allow at least one class period for all the known facts to be addressed (e.g., market segment of airline industry, history of SIA, global trends in airline business, etc.). Using a cooperative learning method, students could be required to research additional cases or information on each of these elements. The case thus provides an impetus to explore a very successful employee branding strategy from both a marketing and management focus.

## Theoretical Concepts

SIA developed a strong brand using their employees as a part of marketing communication. Branding is crucial to companies' achievement of marketing productivity (Keller, 1993). It has also been acknowledged to have a positive influence on organization-customer relationships (Berry, 2000; Davis & Halligan, 2002; Riley & De Chernatony, 2000; Tsai, 2011). It has been argued that the brand may work in parallel to develop a perception of quality service and relate to customers' expectations for increased level of services (Punjaisri, Wilson, & Evanschitzky, 2008; Raj & Jyothi, 2011; Zeithaml, 1988). Therefore, service brand helped customers distinguish their products and services from their competitors.

Hospitality businesses are highly labor intensive and the service quality perceived by customers relies on the performance of service personnel, yet, it is challenging to standardize employee performance in service organizations (Parasuraman, Zeithaml, & Berry, 1985; Tavassoli, 2008). This notion thus can be extended that service employee working at the front-line are the key to manage service quality. Human resource management including recruitment, training, retention, and management of employees, should thus enable the delivery of

consistent service excellence which can hinge on customer perception of service quality. SIA heavily invested in HR management practices for front-line employees, and the importance of high-performance employees are recognized as their competitive resources (Wirtz, Heracleous, & Pangarkar, 2008). The case provides several examples of training and development of crew performance. For example, a variety of techniques for individual performance appraisals are used including employee ratings, customer comments etc. These appraisals are useful to both employee and management to deliver the brand promise and create an environment where employees ensure the brand is marketed internally.

Employees are “brand ambassadors” (Jacobs, 2003) who can deliver products and services what customers expect from the brand promise and brand promise should be fulfilled by employees’ commitment to the brand (Kimpakorn & Tocquer, 2010). Therefore, it is suggested that branding helps create employees who have a shared understanding of what and how the brand promise should be delivered. A simple top-down focus is insufficient to create an environment where employees develop brand-supporting attitudes and behavior. While management supports internal communication to ensure employee’s deliver the brand promise, the Singapore girl is externally marketed as a personification of quality service (Wirtz et al., 2008). This means that the internal branding process of employees allows customers to experience the brand through these employees and receive service as they expected (Punjaisri et al, 2008).

The employee branding strategy is increasingly being introduced in the hospitality industry, triggering new business strategies which helps to identify interrelationships among firms, service employees, and customers (Punjaisri, Wilson, & Evanschitzky, 2009; Wallström, Karlsson, & Salehi-Sangari, 2008). The SIA’s case about a branding process expands and conceptualizes these theoretical notions. In particular, SIA stresses the importance of investment in employee recruitment as the basis of HR, focuses on developing them to commit the brand promise, and allows them to communicate with customers consistently and effectively. In addition, an investigation into employee branding reveals that employees can develop service skills and have a positive influence on brand reputation.

## Analysis and Application

The market has acknowledged that the role of the service employee is changing. In response to demand for operational efficiency, the flight attendant decreased in stature. However, the SIA’s internal branding case implies service employees are the fundamental source of competitiveness in branding. In SIA case, flight attendants involve in building service brand and effectively deliver brand promise through personal interactions. The case also offers the opportunity for students to look at the interrelationships among a firm, employees,

and customers within the brand. The SIA’s best practices of employee branding could be used as benchmarks for other hospitality segments. For example, restaurants could take note of SIA’s devotion to their training and development programs to engage employees in a dialogue surrounding service culture and hotels could market their brand internally to make sure employees enhance the brand reputation.

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