CHAPTER 3

Companies and IMC

In the last chapter we saw how a company's name may be used as a brand, or as a source or endorser within its branding strategy. In this chapter we will be looking at the *company itself* as a 'brand', not as the name of a product. There is a vast literature on corporate and organizational identity and imagery, and we will be looking into this area along with reputation. However, our primary concern is with the role integrated marketing communication (IMC) plays in these areas and the development and nurturing of a company as a brand, just as we were concerned with the role of IMC in building and sustaining product brands in the last chapter.

What we shall see is that there is a great deal of similarity, at least on the surface. Companies are positioned, usually talked about as a 'vision', and they work to establish positive attitudes toward the company among their various publics and stakeholders in order to build a strong corporate brand equity.

The role of IMC in strengthening companies

People who work in the area of company imagery and identity are generally concerned with the idea of the company as either an organization or corporate entity, and how it is represented and communicated to its various audiences (Hatch and Schultz, 2000). Corporate identity is usually thought of as being different from organizational identity, although there is some overlap (Hatch and Schultz, 2000). The principle distinction between these two views of a company reflects an internal versus external perspective.

When considering *organizational* identity and imagery, one is looking *within* the company at employees or other internal stakeholders. When considering *corporate* identity and imagery, one is usually concerned with looking outside the company to external audiences (Figure 3.1). IMC should and must play a role in the establishment and maintenance of a company's identity, but generally within the area of corporate, not organizational, imagery and identity.

Corporate	**External**, looking to the company's outside target audiences
Organizational	**Internal**, looking at employees and other stakeholders within the company

Figure 3.1 Corporate versus organizational identity and imagery

This is a broad statement, of course. The image of a company that is projected to the outside world must find consonance within the organization. This is especially true of service industries, and to a lesser degree business-to-business firms, where employee contact with the consumer plays a significant role in building both corporate and brand attitude. But researchers in organizational identity like to think about it in terms of (among other things) the perspective from which identity is defined.

As Hatch and Schultz (2000) have described it, corporate identity will reflect the thinking and direction of top management, even if they take into account the opinions of other members of the organization. Organizational identity, however, will reflect the many ways everyone within an organization thinks about themselves as an organization. As they put it 'corporate identity requires taking a managerial perspective, while appreciation of organizational identity requires an organizational perspective' (Hatch and Schultz, 2000). While acknowledging a potential overlap between corporate and organizational identity, and the fact that IMC's direct role in building corporate identity will inform organizational identity, we shall be looking at IMC's role in strengthening a company in terms of corporate identity.

It should be obvious that corporate communication in all of its forms (press releases, annual reports, sponsorships, etc.), but especially corporate advertising, must be consistent with its general marketing communication. The arguments for consistency in the delivery of a brands message (as outlined in Chapter 1) holds for corporate communication. Such consistency creates a recognizable picture of a company, regardless of the channel of communication (van Riel, 2000).

Consider this example. If a company presented itself as modern and innovative, yet marketed 'traditional' products, would that make any sense? In terms of our discussion in the last chapter on branding strategy, what if they were using a source or endorser branding strategy? Even though the corporate message would be separate from the brand messages, the corporate brand equity that is being relied upon to 'guarantee' the brand would be at odds with the image the brand has established. The two images would simply not be compatible.

Even if our hypothetical company used only a stand-alone branding strategy for the products they market, this would still not be a good idea. While the brand images would not be connected with the parent, the parent would be connected to the brands. It would be hard to imagine a company like Proctor & Gamble, which does not incorporate the corporate name as part of their branding strategy, not including their brands in some fashion within their corporate communication. Recall our discussion of Interbrew. Their corporate communication is all about their brands, but Interbrew does not appear as a part of their brand marketing communication. Not only must brand messages be consistent across all channels of communication, and corporate messages be consistent in all their media, but brand and corporate messages must be consistent.

Christensen and Cheney (2000) have made the interesting observation that corporate existence can no longer be separate from the question of communication. In their view, companies have convinced themselves that success will depend very much upon their ability to not only differentiate their products or services from competitors, but to actually justify their existence through the corporate image they project. To quote them: '… identity is the issue, and communication seems to be the answer.'

This is reminiscent of how back in the 1970s Mobil Corporation (now Exxon-Mobil) was perhaps the first company to integrate advertising, public relations, and policy statements from the company into an explicit 'corporate advocacy' campaign (Crable and Vibbert, 1983). They became proactive in the face of public and government concern over oil prices and supply. One of their efforts in trying to better manage their overall image was to publish a series of 'advertorials' on a number of socio-political issues. What this did was move the overall positioning of Mobil as a company beyond the image of their products. But as we have discussed, that still must be consistent with the image of their products.

With increased scrutiny of companies from a wide range of sources ranging from advocacy groups to government, to say nothing of the '24-7' media news cycle, companies today are more and more concerned with their general image and identity. Many are following what Dahler-Larsen (1997) has called 'moralized discourses', using corporate communication to gain what the company sees as 'responsibility'. IMC must play a central role in coordinating the image of the corporation with that of its products. BP (British Petroleum) offers a good example of what we have been talking about. For several years their corporate communication has been helping change its image and identity from petroleum to a more broadly based Energy Company paying attention to environmental concerns.

Corporate identity, image, and reputation

The terms corporate identity, corporate image, and corporate reputation are often used interchangeably, but there are important differences between them that a manager should understand because they inform strategy. These differences are often painfully detailed by academics, but this should not deter us from appraising the strategic implications associated with each of the concepts.

Grahame Dowling (2001) has offered a set of rather clear and helpful definitions for each of these concepts that identify the principle differences between them. He describes *corporate identity* as: 'the symbols and nomenclature an organization uses to identify itself to people (such as the corporate name, logo, advertising, slogan, livery, etc.)'. Following this definition, examples of corporate identity would include such things as IBM, the Nike 'swoosh', and the MacIntosh Apple.

Corporate image is regarded as 'the global evaluation (comprised of a set of beliefs and feelings) a person has about an organization'. The important point here is that an 'image' is in the eye of the beholder. To the extent that a company has succeeded in creating a consistent image over time, there should be a general consensus within its target markets as to what that image is. Volvo is concerned with making 'safe' automobiles; Rolls Royce with making high quality, luxurious automobiles. Regardless of the nameplate (the word the automobile industry likes to use for brand), if you know it was made by Volvo, because of the company's image, you would expect it to be 'safe'.

But as Dowling (2001) points out, not everyone is likely to hold the same beliefs and feelings about a company. This means it is unlikely that any company has a *single* image. The job of IMC is to build and nurture as consistent an image as possible among the largest number of a company's various audiences. The fact that a company has many different audiences to address (e.g. government regulators, shareholders, employees, consumers) complicates the job, and underscores the need for effective IMC; a centrally managed communication effort in order to project a consistent image.

Dowling (2001) defines *corporate reputation* as: 'the attributed values (such as authenticity, honesty, responsibility, and integrity) evoked from the person's corporate image.' Again, this means there is the potential for a wide-ranging understanding of a company's reputation owing to the potential differences in value assessment among different people, and among various target audiences. What is important to one person or group may not be to another; and certain values may carry different weight among different people and groups. This potential problem increases for multinational companies because of the ways in values can be culturally driven.

With this introduction to corporate identity, image, and reputation as a foundation, let us now take a closer look at each concept.

Corporate identity

The idea of corporate identity as defined by Dowling (2001) is rather straightforward: the words and symbols a company uses to set itself apart from other companies so people will recognize it. Originally, the study of corporate identity tended to be centred around a rather narrow, graphic design perspective. There is no doubt that visual imagery via graphic design can play a significant part in corporate identity (just think of the 'golden arches'). Yet there is much more to it, as we shall see. In fact, there is a good deal more to it, but the field of identity studies is well beyond the scope of this book. Nevertheless, some appreciation for the scope of corporate identity studies is in order if we are to understand the role of IMC in the development and sustaining of corporate identity.

In introducing a collection of articles on corporate identity in their book, John Balmer and Stephen Greyser (2003) offer a useful way of looking at the field of identity studies. They suggest regarding it as inhabiting three different 'worlds', a *triquadri orbis* in their words. It begins with the narrow world of graphic design, and what they call *visual identification*. Graphic presentation is an important consideration in developing an IMC program. As an example, from its earliest years IBM has been informally known as 'Big Blue'. In the early 2000s, IBM's advertising reflected this visually by framing graphically all of their adverts, even television commercials, with horizontal blue bars on the top and bottom of the page and screen. With consistent use of this graphic devise, soon one immediately identified these messages with IBM, even before exposure to the corporate tag.

The second 'world' of identity is what Balmer and Greyser (2003) called *organizational identity*. As they put it, this reflects the use of corporate identity in answering the question 'who are we.' This aspect of corporate identity addresses the internal audience of the organization, and is of less interest to us given our focus on a company's external audiences. But we cannot ignore it. How employees see the company for which they work is critical to overall communication efforts in service industries, and in any business where employees have significant contact with customers (e.g. banks and retail stores). Here is where such things as company newsletters and other internal corporate communication must be consistent with the overall image being projected to the population at large, and as a result, part of IMC.

The third 'world' of identity studies is *corporate identity*. It seeks to answer the questions 'what are we?' as well as 'who are we?' This is the world of identity studies with which we are most concerned, and the one generally addressed by the marketing literature. But it is important to keep in mind that both the visual identification and organizational identification worlds will play their part in the overall perception of a company's identity. The role of corporate identity is critical to any discussion of corporate strategy, and this includes image, reputation, and importantly, communication.

As Dowling (2001) has suggested, while managers generally have a pretty good understanding of corporate image and reputation, they often confuse corporate image with corporate identity. This can, and often does, result in wasting a great deal of a company's communication budget. Part of the responsibility of IMC is to ensure there is no confusion between identity and image in a company's corporate communication. It is also the job of IMC to ensure that there is no confusion *within* corporate identity.

Corporate identity types

According to Balmer and Greyser (2003), corporate identity should not be viewed as a monolithic phenomenon, but one comprised of multiple types of identity. They argue that companies have more than one identity, and that they can coexist together without problems when well managed. Five identity types are proposed: actual identity, communicated identity, conceived identity, ideal identity, and desired identity (Figure 3.2).

The *actual identity* of a corporation reflects its various realities, everything from management style to market performance, structure to performance. *Communicated identity* is driven by corporate communication,

Identity	Description
Actual	Reflects reality
Communicated	Driven by corporate communication
Conceived	Perception held by target audiences
Ideal	Optimum positioning for corporation
Desired	Top management vision

Figure 3.2 Multiple corporate identities. *Source*: Adapted from Balmer and Greyser (2003)

as well as more informal and non-controlled communication such as word-of-mouth and media commentary. The *conceived identity* of a company is the perception of it held by their various audiences. The *ideal identity* reflects what would be the optimum positioning for a company, and is subject to change over time in relation to the correct environment. *Desired identity* is what top management sees as their vision for the company. It differs from the ideal identity in being more likely to reflect the CEO's ego than the strategic realities of the day.

As you can see, these various identities devolve from both internal and external sources. Beyond the obvious, this will also include such things as the internal response to company culture and values, as well as the external influence of industry culture and socio-cultural influences generally. Corporate communication, as part of an IMC program, is likely to drive communicated identity and inform conceived and actual identity. A company's ideal identity should be a goal of corporate communication; and to the extent that a corporation's vision is strategically based, will be reflected in its corporate communication.

IMC should serve as a mediating factor for all aspects of corporate identity. One of the concerns voiced by Balmer and Greyser (2003) in discussing multiple corporate identities is that all too often there is a 'misalignment' of the identities, which leads to identity problems. They suggest that it is the responsibility of corporate leadership groups to manage identities to ensure broad consensus; and we see IMC as the key to implementing their effort.

Corporate image

In concept, corporate image parallels brand image. Both are in the 'eye of the beholder', the result of an overall evaluation of the brand or company in terms of a 'set of beliefs and feelings' as Dowling (2001) put it in his definition. This has been the traditional way of looking at image, and from a consumer behavioural or psychological perspective has been studied within the context of information processing. Compounded with corporate identity, this is an important point that reflects a critical difference between the two concepts. Corporate identity is usually studied from a management perspective, looking at how a company wishes to be seen by its various publics. Corporate image, on the other hand, is the result of how those various publics have processed the information they have about a company (Figure 3.3).

Corporate image	Associated with the **sender** of corporate communication and reflecting how the company wishes to be perceived
Corporate identity	Related to the **receiver** of corporate communication and reflecting how they perceive the company based upon everything they know about it

Figure 3.3 Corporate image versus corporate identity

Corporate image will inform how people make decisions and form attitudes about companies. There is discussion among scholars in the area as to how all this occurs (Christensen and Askegaard, 2001), but we need not get into that discussion here. The important point about an 'image' (whether a company, brand, or anything else) is that it is the result of processing information. This information is then consolidated in memory. Image in the sense with which we are concerned is not 'imagination'. It is the result of associations in memory that are reviewed and updated when new information about a company is received. This means that corporate image is always subject to change.

One of the key differences between corporate identity and image is the *source*. Christensen and Askegaard (2001) consider this a very important point. In reviewing the literature on corporate identity and image, they found that generally speaking the idea of corporate identity is associated with the *sender* of communication messages (i.e. internal, the source is the company). A company chooses how to 'identify' itself, as we saw in the last section.

On the other hand, corporate image is more commonly related to the *receiver* of communication messages (i.e. external, the audience is the source). In a very real sense a company's image is 'created' in the minds of its various audiences as they process communications about the company. The resulting image will of course be significantly mediated by the content of the message sent, but that message will always be filtered through each individual's existing knowledge and assumption about the company, and what is said about it.

Perhaps it is because corporate image is constructed externally, by individuals rather than organizationally driven, that it seems to attract less attention from those involved in the study of corporate identity, image, and reputation. A suggestion of this might be found in the 'problems' with corporate image identified by Balmer (1998): multiple meanings; negative associations; the difficulty or impossibility of control; its multiplicity; and the different effects on various audiences.

Looking at these difficulties, they simply seem to imply that a company does not have *direct* control over its image, and this is seen as a problem. But we would argue that where corporate image communication is an integral part of a company's IMC program, they will be exercising a significant level of control over the resulting image. When all of a company's communication about itself and its brands are coordinated and addressing a consistent, viable strategy, the perception of the company, it's corporate image, will reflect that communication. People will be processing a consistent message, one projecting a specific image. Successful processing of that message will result in the desired corporate image. How to accomplish this is what this book is all about, at both the brand and corporate level.

According to Balmer and Greyser (2003), when considering corporate image academics look at image from one of four perspectives: the transmitter of images, receiver-end image categories, the focus of images, and construed images. Within each perspective there are a number of ways of looking at image. Each reflects various ways corporate image might be treated strategically within an overall communication plan.

The first category focuses upon the company as the transmitter of images. This is similar to the general perspective taken of corporate identity, but here refers to image management. Corporate image is being looked at in terms of its communication strategy and objectives. Here we find such things as the creation and delivery of a single image to all of a company's audiences and the notion that corporate image is principally a function of the company's overall visual identity (which you will remember is a key element of how corporate identity is defined).

The remaining three perspectives are from the perspective of the market, not the company. With receiver-end image, one is looking at corporate image in terms of the *immediate* processing of a message from the corporation (transient image). This reflects everything from adverts to packaging to logos. It also is concerned with the congruence of the projected image of the company and how customers see themselves. The key is that the focus is on the receiver of the message, not the sender. What Balmer and Greyser (2003) called focus-of-image looks at corporate image in terms of the various brand and category images. Finally, corporate image may be looked at in terms of what one group, such as the company's employees, *think* another group, such as their customers, believes about the company.

This gives some idea of the complexity involved in dealing with corporate image. There are many ways of looking at it, with a corresponding potential for multiple interpretations. One of the tasks for IMC is minimize the chance of multiple interpretations. From a communication standpoint, in the end a manager is concerned with creating a corporate image that is understood by the target audiences in the way in which it was intended. IMC ensures that all of a company's communication, both corporate and brand, consistently reinforce the desired image.

Corporate reputation

Dowling's (2001) definition of corporate reputation is based upon the values a person associates with their understanding of a company's image. As he puts it, it is a *value-based* construct. When looking at corporate reputation this way, it is important to understand it is enduring values that are being considered (or at least values that are likely to be held over the long-term by most people, and unlikely to change in the short-term). These values would include such things as integrity, honesty, and responsibility. When a company is seen as holding values important to its target audiences, it will enjoy a positive corporate reputation. This in turn, *because* of the perception of shared values, will lead to feelings of trust and confidence in that company.

Many people look at corporate image and corporate reputation as overlapping constructs, but as Dowling reminds us, it is important to keep them separate. In fact, he suggests that the way to a strong corporate reputation is via a strong corporate image. Companies seek a strong corporate image built upon positive beliefs and feelings about the company, consistent with an overall corporate positioning strategy. And as we have seen, it is one of the tasks of IMC to build and nurture that image.

Once a corporate image is established, it should be linked to values important to its target audiences. This is because values do not change, at least not in the short-term. But it is possible to change or alter perceptions about a company. The role of IMC here is critical. Everything communicated about a company and its brands must be consistent with the establishment of the desired corporate image, and with the association in memory to the appropriate values. In this case values operate very much like emotions in framing an understanding of brands and companies. Companies, like brands, are linked in memory with specific emotional associations. These emotions are present in working memory any time someone is thinking about that company or processing new information about it. We will be dealing with the role of emotion in processing messages in much more detail in Chapter 8.

In the same way, the effective linking of a company in memory with positive values should ensure the presence of the resulting reputation in working memory when a person is thinking about that company, and there when processing communications about it. This is the result of something neuropsychologists call top-down processing, where one's knowledge and assumptions about a thing (the company here) will be present in working memory whenever one is consciously processing information about it.

Because corporate reputation is value-based, it enjoys a strategic advantage over corporate image. While both are dependent upon individual perceptions, the strength of a positive reputation will be greater than a positive image. Part of the reason is that an image is less permanent and more variable because it is based upon beliefs and feelings while reputation, based upon values, is less subject to short-term change. Another is that a company's reputation will be more stable in the presence of negative publicity. Because it is value-based and not belief-based, negative information about the company will have a much more difficult time altering the association in memory.

Imagine a pharmaceutical company that enjoys a corporate image for high-quality products, but no well-formed reputation. Imagine another with a corporate reputation for trustworthiness. Now suppose that a question is raised in the press about the efficacy of a drug they both market. Each company launches a campaign affirming the quality of their product, but which one is most likely to be believed by more people? It is more likely to be the company with a reputation for trustworthiness. Why? An image for quality products could have been built upon many things; for example a long history in the business. But the beliefs upon which that image was built are unlikely to include 'truthfulness'. It simply is not likely to come into most people's minds when building an image of a company's products. On the other hand, a reputation for trustworthiness reflects an association with individual values. If a person believes a company is trustworthy, they will believe they tell the truth.

■ Building corporate identity, image, and reputation

Now that we have an overview of what constitutes corporate identity, image, and reputation, it is time to examine what is involved in successfully developing and communicating each. Before beginning, however, it will be important to look at the interrelationships among them. As should already be clear, there is a certain overlap between these constructs, and each is somewhat dependent upon the others.

In fact, you may be thinking that a great deal is being made of very little in crafting such specific differences in these constructs. In many ways this is true, but for academics these differences are important. They permit looking at aspects of corporate strategy and how both the internal and external audiences and stakeholders of a company 'see' that company. From a manager's perspective, understanding that their company may be seen in different lights by different people, and for different reasons, should help in developing an effective overall communications program to position the company in the minds of its audiences. Each of these three ways of 'seeing' a company must be accounted for in a firm's IMC.

The study of corporate meaning that lead to the constructs we have been talking about began in the 1950s with a focus on corporate image. This was joined in the 1970s by the idea of corporate identity. Then in the late 1980s, the study of corporate reputation was added to the mix. With the addition of each new perspective, offering a different way of looking at companies, more was understood about corporate meaning. Now, there is a new focus on corporate meaning, *corporate brands* (which we shall address in due cause).

Balmer and Greyser (2003) have suggested that there are six critical questions that characterize the study of corporate meaning, and five of the six bear directly upon our discussions. Three of these questions relate directly to the constructs we have been talking about, and two others indirectly. Each of these questions and their related construct are detailed in Figure 3.4. Taken together, they provide insight into the areas that must be addressed in effectively building a positive corporate identity, image, and reputation.

Corporate identity	What are the company's distinct attributes?
Corporate image	How is the company currently perceived?
Corporate reputation	How is the company perceived over time?
Corporate communication	What does the company communicate and to whom?
Corporate branding	What is the corporate covenant?

Figure 3.4 Keys to corporate meaning. *Source*: Adapted from Balmer and Greyser (2003)

The first question, 'What are the corporation's distinctive attributes?' relates to corporate identity. The second, 'How are we perceived now?' relates to corporate image, and the third, 'How are we perceived over time?' to corporate reputation. In answering these questions, the manager will have addressed the fundamental issues driving corporate communication strategy. They also outline the underlying relationship between the constructs. Corporate identity sets out the character of the company that set it apart from competitors, which when successfully communicated to the appropriate target audience will inform how it is perceived at any one time; the corporate image. How it is perceived over time will result in its corporate reputation.

Dowling (2001) addresses this issue of corporate meaning directly. He suggests that a good corporate identity (especially in terms of corporate symbols) will enable people to more easily recognize a company. Symbols and other features of corporate identity act as triggers in memory for helping to recall and elaborate its image. When you see Apple's trademark logo or McDonalds' 'Golden Arches' it will quickly activate the beliefs and emotions in memory associated with the brand, but also the company, its corporate image. When these are positive and consistent with someone's values in terms of corporate behaviour, it will lead to a positive corporate reputation.

Perhaps the most important question this raises is: To whom and what do we communicate? This, of course, defines communication, and in terms of IMC we would add: and how? Getting this correct is what will ensure the desired corporate meaning among a company's target audiences and key stakeholders. Of the remaining questions raised by Balmer and Geyser, we shall briefly look at the idea of corporate branding next. The issue of organizational identity, because of its internal company orientation, is generally unrelated to the fundamental development of IMC strategy, which looks primarily at external consistencies. As a result, that aspect of corporate meaning is of less interest to us in this book (although it will not be totally ignored).

Corporate brand

In a sense, a corporate brand is the reflection of corporate meaning as we have been discussing it. As shown in Figure 3.5, the key concepts of corporate identity, image, and reputation are related as suggested by Dowling (2001), and as each is communicated to the company's target audience they contribute to building a corporate brand. It is a summary image that acts as an umbrella over all of the firm's marketing activity, as well as its communication with all of its stakeholders. There are all types of associations outside of product or brand considerations that may become linked to corporate brands, as Brown (1998) and his colleagues remind us. In effect, the dimensions of corporate meaning reflect this, and their fusion provides the foundation for corporate brand equity.

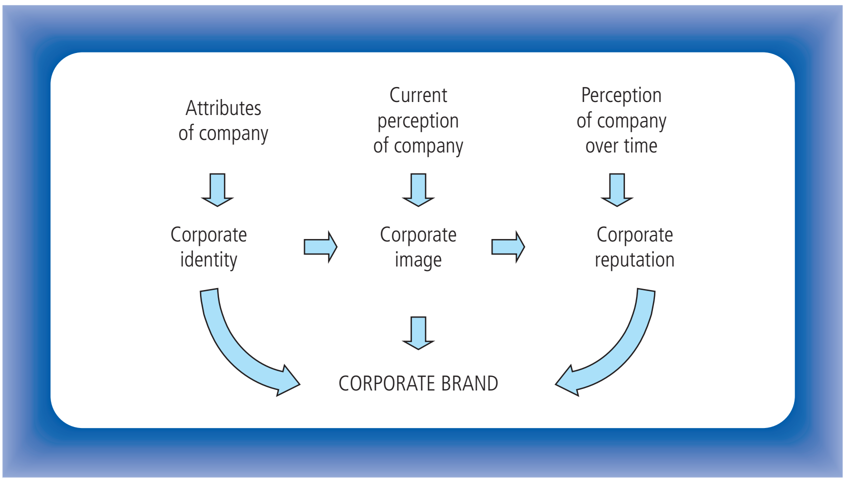

Figure 3.5 Corporate brand as a function of corporate meaning

Much of the effort in creating a corporate brand is in response to a realization that among consumers such things as how a company treats its employees, addresses environmental concerns, and other issues related to its role in society is being factored into their brand purchase decisions. This has led to more and more companies building corporate brands as a strategic marketing tool in order to improve overall financial performance (Roberts and Dowling, 1998; Hatch and Schultz, 2001).

There is much more to a corporate brand than a single unifying tag line or logo. According to Hatch and Schultz (2001), there are three critical interdependent elements that go into making an effective corporate brand: vision, culture, and image. The job is difficult because different groups drive each element. Vision will come from top management, usually the CEO. Culture reflects the internal organization's values and behaviour and how employees feel about the company. Image (used here in its broad meaning) is how the rest of the world sees the company.

It is critical to a successful corporate brand that a consensual image (again in its broadest sense) be built among its various target audiences, one that is both an accurate representation of the company as well as being consistent with overall corporate strategy. This requires the consistency in communication that results from an effective IMC program, one that is informed by corporate communication strategy. In addition to effectively communicating with it's external audiences, the corporate brand must be internalized by the organization, and communicated through all of its personal contacts with those outside the organization; everyone from vendors to the trade to consumers to stakeholders.

Corporate brand equity

In the last chapter we introduced the idea of brand equity. In much the same way, corporate brands acquire an equity. According to Keller (2000), it 'occurs when relevant constituents hold strong, favorable, and unique associations about the corporate brand in memory.' With a strong corporate brand equity, just as with product brand equity, relevant target audiences will feel more favourably toward the company, leading to a more favourable response to all of its corporate communication, beyond any purely objective reading of the message.

Just as with marketing communication for brands, in building corporate brand equity there are several possible objectives for corporate communication (Biehal and Shenin, 1998). But also just as for brands, awareness and attitude will *always* be objectives. Keller has also suggested that it is important to link beliefs to the company that can be leveraged by marketing communications for brands. Strong corporate brand equity results from achieving awareness and salience for the company, and the establishment of attitudes toward the company that reflect a positive corporate reputation.

This means ensuring that beliefs about the company, learned and nurtured through its communication, must be linked in memory to appropriate values held by target audiences. This is a step beyond what is necessary for building positive brand attitude, but it is the beliefs associated with the company's brands through marketing communication that will help reinforce the corporate image, and hence corporate brand equity. The role of IMC in assuring consistency and continuity between marketing communication and corporate communication in driving both product brand equity and corporate brand equity is critical.

One remaining point should be considered here. Corporate brand equity is not the same as the equity for its products, even when the brand name for the product is the company name, or is the company name used as a source or endorser. The equity associated with a company through its branding strategy will of course help inform the corporate image and corporate brand equity. But, as we have seen, corporate meaning extends well beyond product or brand perception. A good example of this would be Benetton. Benetton as a clothing retailer has one image, as a corporation taking strong stands on social issues, another. One may like the products found at Benetton, while not agreeing with the positions the company takes; or for that matter, even know about them. On the other hand, one may disagree so strongly with the company's social positions that even though you find their merchandise stylish and attractive, you will not buy them. Or, you may shop there simply to show your support for their social positions, even though you find their clothing rather like that found at other stores.

Corporate communication

Now that we have an idea of what is involved with corporate meaning and corporate brands, it is time to look at corporate communication. As we saw in comparing brand equity with product brand equity, the essence of corporate communication versus marketing communication is that corporate communication is much broader. Where marketing communication is focused upon the consumer or potential consumer and relies (primarily) upon specific paid media for delivering the message, corporate communication must deal with a wide range of different audiences, including an important emphasis upon communicating with employees, and is not limited to paid media. Public relations, for example, can play a significant role here.

van Riel (2003) has characterized corporate communication as a fusion of marketing, management, and organizational communication. But Balmer and Gray (2003) take a much broader view, something they call 'total corporate communication', consisting of primary, secondary, and tertiary communication. What they define as primary communication is really indirect communication, the result of such things as product or service performance, company policy, and employee behaviour. These do 'communicate' something about that company and effect corporate image, but we would not include it directly within strategic IMC planning.

The secondary communication, on the other hand, is directly related to IMC. They see it as 'planned, "formal" communication policies of organizations' including such things as advertising and other forms of marketing communication, including public relations. They define tertiary communication in terms of the *effect* of third-party communication. This would include communication about the company from such sources as word-of-mouth, and even what competitors have to say about them. While this type of communication about a company is not directly controlled by the company, it must still be carefully nurtured as a part of any effective IMC plan. Together, all of this may indeed account for ‘total corporate communication’, and it will all be important in defining corporate meaning. But from a managerial and not academic standpoint, our concern must be with strategically planned and controlled corporate communication.

One way of appreciating the complexity of corporate communication is to consider Berstein’s (1984) idea of a corporate communication wheel, or more particularly Balmer and Greyser’s (2003) adaptation of it (Figure 3.6). Basically it begins by asking corporate management to identify all of the important audiences with whom they need to communicate. These groups form the outer ring of the wheel. Then it requires a list of all the available channels of communication for delivering the message. These become a circle within the circle of potential target audiences. In the Balmer and Greyser modification, they include eleven potential target audience groups and eleven possible communication channels. As they explain, that alone results in 121 considerations!

But that is not all. A number of other considerations are contained within the two outer circles of the wheel. These include such things as country of origin, business partnerships, and category or industry image, among others. All of these must be considered for each target audience group – communications channel combination. And within each target group, there could be segments; and various channels of communication themselves are comprised of multiple delivery vehicles (think of just the alternatives available with mass media alone, which is only a single communication channel).

In reality, management must set priorities; but that in itself requires careful planning. Then in addition to optimizing with whom you wish to communicate and to most effectively deliver the message, there is the task of developing a *consistent* message. A recent suggestion has been something called the *sustainable corporate story.*

Corporate story

Many people have written about the sustainable corporate story, basically describing it as a comprehensive narrative about the entire company, including things like its history and mission statement (van Riel, 2000). Because it is unique to each company, and goes beyond corporate image to include more descriptive elements, it offers an opportunity for creating a consistent, believable impression. van Riel (2003) has identified four criteria that he feels are necessary to the development of an effective corporate story. It should be *relevant* with regard to the company’s various target audiences; *responsive* in that it allows for an interaction

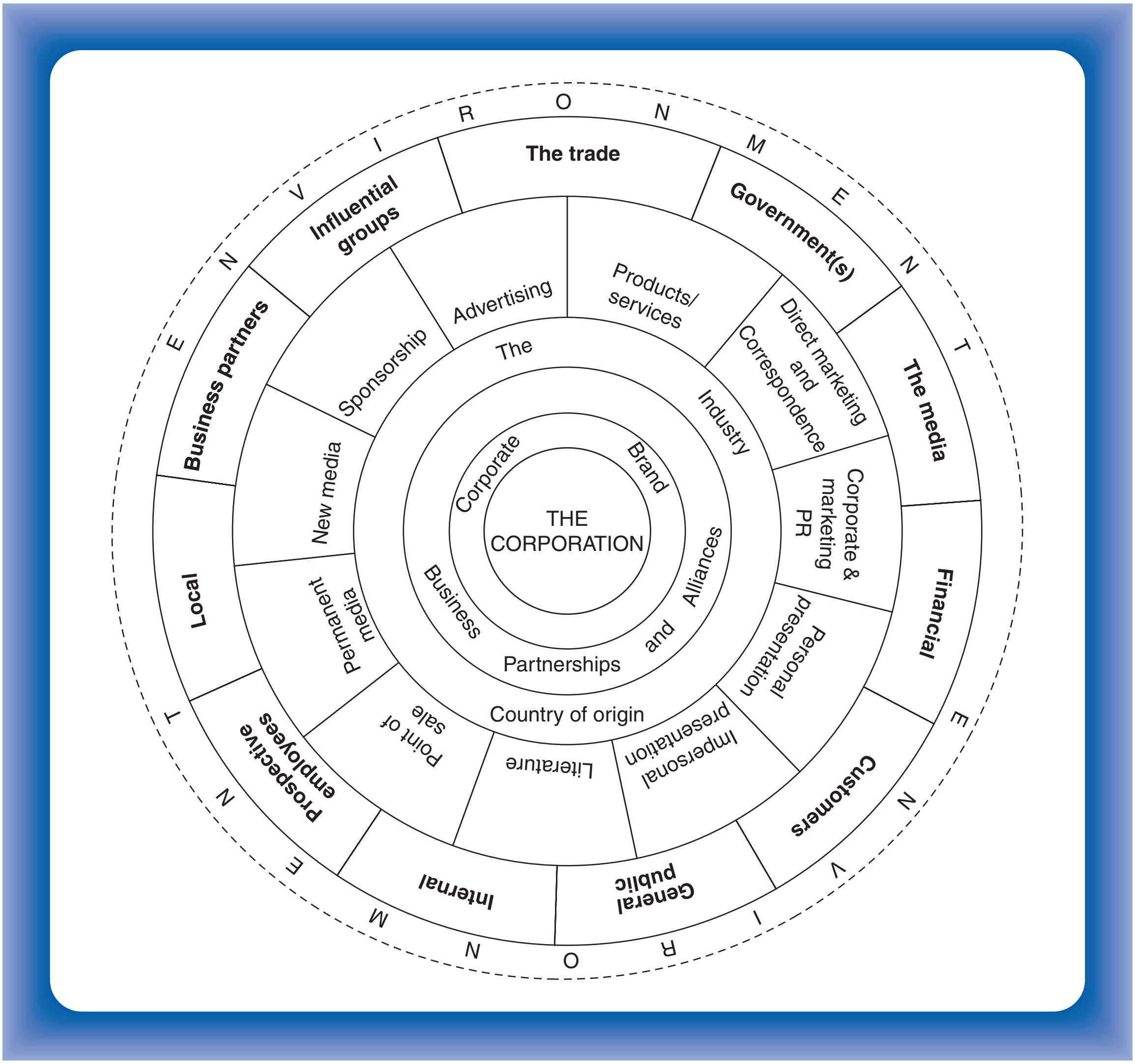

Figure 3.6
The new corporate communications wheel. *Source*: Adapted from Balmer and Greyser (2003)

between the audience members and the company; *realistic* in focusing upon the company's unique and enduring characteristics; and it should be *sustainable*, satisfying the needs and desires of relevant audiences while meeting its own objectives (Figure 3.7).

The story itself should only be a few pages in length (Larsen, 2000), and use rich narrative to deliver the message (Shaw, 2000). The key is that the corporate story must inform *all* of a company's corporate communication, including spontaneous day-to-day interactions among employees and between any company representative and its external

Relevant	Important to company's target audience
Responsive	Permits interaction between company and target audiences
Realistic	Focuses upon company's unique characteristics
Sustainable	Satisfies needs and desires of target audiences while meeting company objectives

Figure 3.7
Keys to an effective corporate story.
Source: Adapted from van Riel (2003)

audiences. It is the sustainable corporate story that helps align all of a company's messages, regardless of the audience. Larsen (2000) has argued that a corporate story can be a powerful tool for differentiating a company and its products from competitors, and even suggests that it may become the primary vehicle for differentiation.

The sustainable corporate story provides a way of ensuring consistency in everything the company communicates, planned and unplanned. When there is a corporate story in place, it will set the parameters for the strategic development of all corporate and brand communications. The corporate story acts as a starting point (in the words of van Riel, 2000), and provides the umbrella under which all of the company's communication falls. IMC provides a way of *managing* the strategic development and delivery of all of a company's *planned* communication.

Corporate advertising

We have spent most of this chapter looking at corporate communication from the perspective of academics who study organizational or corporate communication. This provides important insight into the complexity of the issue, and the various ways in which a company may communicate with its internal and external audiences, whether planned or not. Dowling (2001), although a respected academic in the field, offers a more traditional view of corporate communication, at least from the manager's perspective, focusing upon corporate advertising. He uses the term advertising in its broadest sense to include all forms of corporate communication. This is consistent with our definition, following from the Latin root of the word *advertere* roughly translated as 'to turn toward'.

The job of advertising in this sense is to build positive attitudes toward the company, leading to a strong corporate brand equity; and this regardless of the communication channel involved. An advertising-like message can be delivered through channels well outside traditional media: communication channels such as the annual report, employee newsletters, the chairman's speech to a financial group, web sites, etc.

Figure 3.8
A good example of corporate advertising. *Courtesy*: Credit Suisse

An important issue for managers is the role corporate advertising should play in the overall communication mix. This, of course, will depend upon the overall strategic corporate and marketing objectives. But corporate advertising should play a role, and be consistent with the brand message. Dowling (2001) sees corporate advertising as either 'image' or 'issue' oriented. In this traditional view of things, corporate 'image' advertising deals with such issues as communicating with financial markets, employees, creating goodwill, and addressing special interest groups. Corporate 'issue' advertising deals with positioning the company on social or industry issues, and countering adverse publicity. In effect, these traditional views of corporate advertising cover the areas addressed by the academic views of corporate communication, only more generally.

In Dowling's discussion of corporate advertising, he makes a point about its quality, with which we agree (and imagine you may also). He feels that too often corporate advertising is simply 'awful', and invites the reader to have a look through world-wide business magazines like *Review 200*, *Business Week*, *The Economist*, *Forbes*, and *Future* as proof. As he puts it, much corporate advertising is self-important, and both long-winded and dull or short, and vague about what the company does; basically uninteresting and uninspiring. As a result, many managers (especially top management) feel that corporate advertising is always ineffective, whether for companies or brands. There are exceptions, of course, and the Credit Suisse advert shown in Figure 3.8 is a good example. Here the benefit of well-invested money is clearly communicated with the visual, and linked to the brand with copy underscoring the company's expertise (since 1856) and way of approaching business. Strategically well planned and creatively executed advertising can and will be effective. One of the goals of this book is to provide the insight and tools necessary to ensure that happens.

Summary

In this chapter we have looked at the role of IMC in strengthening companies, and specifically *companies as brands*. We saw that this primarily involves a company's identity and image, along with reputation. A distinction was made between companies as organizations versus corporations, where organizational identity and imagery is concerned with internal audiences and corporate identity and imagery with external target audiences. IMC's role is primarily with companies as corporations, not organizations.

Corporate identity has been described as those symbols and words used to identify a company to its target audience, and corporate image as how that target audience 'sees' the company, the beliefs and feelings they have about the company. While on the surface this seems a rather straightforward distinction, much more is involved. Corporate identity includes graphic associations with the company, and also includes how employees see the company (especially important when those employees interact with customers). But from an IMC standpoint, it is a broad range of identities projected by the company that is of interest: active

identity, communicated identity, conceived identity, ideal identity, and desired identity. IMC helps mediate all of these various aspects of corporate identity.

Corporate image reflects how a company's target audiences evaluate it in terms of their collective beliefs and feelings (i.e. their attitudes toward the company). As a result, corporate image informs the decisions people make about that company, and is subject to change as new information is processed about the company (from IMC sources as well as other external communications, e.g. press accounts). While a company does not have direct control over its image, in the sense that it cannot literally dictate what people should think about it, clearly effective IMC will mediate that image.

Corporate reputation reflects the values its various target audiences associate with their understanding of its image. In this sense, reputation and image are related, but it is important to consider them separately. One of the jobs of IMC is to ensure that the image of a company is positively associated in people's minds with appropriate values. These values that people hold will act very much like emotions in 'framing' how new information about the company will be received and processed. Corporate identity helps drive corporate image, which in its turn informs corporate reputation.

All of this is part of corporate meaning, and corporate meaning is now drawn together into something thought of as a corporate brand. This idea of creating a corporate brand has been a response to heightened awareness on the part of senior corporate management that such things as how the company is perceived on important social issues can have a direct bearing on brand decisions. This means building a corporate brand equity as well as individual brand equities. It is the job of corporate communication to accomplish all of this, and one way of dealing with it is with what is now known as a sustainable corporate story. IMC provides a way of managing both the strategic development and delivery of all of the company's planned communication: corporate and brand.

Review questions

1. What is the role of IMC in strengthening companies as opposed to brands?
2. Discuss the difference between a company's image and its identity. How does this differ from a company's reputation?
3. Identify examples of corporate identity.
4. Find examples of corporate communication that address the company's identity.
5. Discuss the problems associated with establishing corporate image.
6. Identify companies that you feel share your values, and companies that do not.
7. In what ways does a company's reputation have a strategic advantage over its image?
8. What is corporate meaning, and what role does IMC play in it?
9. How is a corporate brand different from a product brand, and in what ways are they alike?
10. Discuss the interrelationships between a company's corporate brand equity and the brand equity of its products.

11 How does corporate communication differ from brand communication?
12 What is the role of IMC in corporate communication?
13 Create a corporate story for a company with which you are familiar.
14 Find examples of good corporate advertising.

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