A New Approach to the Corporate Image Management Process

Russell Abratt

University of the Witwatersrand, Johannesburg, Republic of South Africa

The author analyses the conceptual development of the corporate image process. Emphasis is placed on the difference between corporate image, corporate identity and corporate philosophy. These concepts are combined into a new process for the development image in the eyes of an organisation’s publics.

INTRODUCTION

Literature abounds on the subjects of corporate identity and corporate image. Much of this literature has been written at a fairly superficial level by executives of design and marketing communications consultancies (Anspach 1983, Chajet 1984, Couretas 1984, Diefenbach 1986, French 1981, Hamilton 1983, Yarnell 1986). On the other hand, marketing journals and texts mention image regularly, but do not cover this in detail, nor do they give management any guidelines.

Organisations need to make a concerted effort to manage their corporate images. According to Gray (1986), managing the corporate image is the key to security and maintaining public trust. This is particularly relevant today because of the American public’s disenchantment with business (Cochran 1984, Dickson 1984, D'Aprix 1977, Gray 1986, Keller 1985, and Pinsdorf 1987). According to Velmans (1979) the corporation needs to become more conscious of using communications to reach its objectives and needs to articulate its position more clearly to government agencies, legislators, shareholders, employees, customers, financial institutions and other critical
audiences (Velmans 1979, quoted by Gray, 1986). The objectives of this paper are:

(i) to explain the concepts of corporate image, corporate identity and corporate personality.

(ii) to develop a new approach to corporate image management.

THE CONCEPTUAL DEVELOPMENT OF CORPORATE IMAGE

A good review of the literature was presented by Kennedy (1977). She maintains that the concept of corporate image was developed in the 1950s. The first author to draw a comparison between the corporate image and the human personality was Newman in 1953. Boulding (1956) contributed by emphasising the relationship between image and behaviour and by suggesting that what an individual believes to be true, is in fact true for him. Swanson (1957), approaching it from the perspective of the consumer, was first to suggest that there was such a thing as an ideal corporate image. Martineau (1958) argued strongly for management to take the topic seriously and he was the first to suggest that a company faced not one, but seven publics to whom is should be projecting itself. He also drew a distinction between the functional meaning of corporate image—the tangible assets of quality, reliability, service, price and its emotive meaning—subjective feelings.

Harris (1958) identified seven image types for a company—the corporate image, the institutional image, the product image, the brand image, a diffused image and the consumer demand image. Bolger (1959) addressed the methodology used to profile a corporate image and developed a card sorting exercise which could be used to profile the corporate image of a client, its competitors and the industry “ideal”. Bayton (1959) built on the concept of the actual versus the ideal image and maintained that an image must be evaluated on the basis of what management desires for the company, the image of competitors and on the industry “ideal”. Eells (1959) suggested that the purpose behind the promotion of a corporate image was two-fold: to link the company to its social environment and to help achieve company objectives. Bristol (1960) covers interest groups and outlines different tools and techniques with which to promote a corporate image. Boorstein (1961) presented the criticism that the emphasis on image was at the expense of reality. Finn (1961) disagreed with Boorstein and presented examples of how a corporate image can be an advantage to an organisation.

Greenberg (1961) conducted empirical research out of which rose the question of image stability. Spector (1960) carried out research which required the ranking of six personality related dimensions. He concluded that the ranking differed from industry to industry. Tucker (1961) disagreed and maintained that many large organisations have stereotype images.
Gardner (1965) argued the case for the utilisation of the resources and techniques of the behavioural sciences in advancing image research. Odiorne (1966) picked up on this line of thought whilst looking at the processes involved in imagery in particular. Cohen (1967) tackled the difficulties inherent in image research and proposed that the differentiation ratio be used as a means of overcoming these difficulties.

The next major conceptual development is characterised by the writings of Pilditch (1970) who emphasised the distinction between corporate image and corporate identity. A considerable amount of research has been conducted on the image of retail establishments. A complete issue of the Journal of Retailing has been devoted to articles on store image. Burke and Berry (1974/75) conducted empirical research which clearly demonstrated that the social actions of a corporation can improve its image and contribute to favourable economic results. Cardozo (1974/75) developed a psycholinguistic technique for use in the study of store image. His research also showed that the store image studies and image-alteration programmes must differentiate between product classes. Lindquist (1974/75), from the literature, drew up nine store image attributes, of which three are dominant (merchandise, service and locational factors) and of those three, merchandise appears to be the key image factor. McDougall and Fry (1974/75) demonstrated that both the semantic differential and open-end techniques should be employed in the measurement of store image as the shortcomings of one is countered by the advantage of the other and the benefits appear to exceed the costs. Oxenfeldt (1974/75) outlines an eight step image building programme and suggests a number of potential dimensions of store image. Marks (1986) proposes a technique for operationalising the concept of store image which combines two multivariate methods.

Polkinghorne (1976) undertook research which evaluates various image measuring techniques—the Kelly Repertory Grid, an image attribute generating device, the Semantic Differential, an attitude measuring instrument and various statistical and multivariate data analysis techniques.

Kennedy (1977) broke away from traditional thinking by focusing on company employees. She suggested that a corporate image must be based on fact and that the underlying company policies are of far greater importance than any advertising or press campaigns which might be undertaken. Desirable policies which are clearly communicated and implemented will, according to Kennedy (1977), ensure that employees, who act as company salesmen, elicit favourable responses from those they come into contact with. Olins (1978) and Bernstein (1984) believe that image cannot be divorced from reality, that the image is an expression of the corporate personality and that co-ordinated and consistent communication to external and internal publics is fundamental to the management of the corporate image.

Gray (1986) defines corporate image and explains why it is of vital
concern for business leaders. He traces the events leading to diminished public confidence in business. He examines the corporate image management efforts by various successful companies, offers advice to management on how to establish a corporate image programme and provides a check list approach to profiling a corporate image.

TOWARDS A DEFINITION

Despite the voluminous literature the concepts remain unclear and ambiguous as no universally accepted definitions have emerged. In much of the literature the terms corporate identity and corporate image have been used interchangeably or imprecisely. Some of these definitions are presented below to illustrate this confusion.

"An organisation’s corporate identity articulates what the organisation is, what it stands for, and what it does . . . (and) . . . will include details of size; products manufactured and/or services offered; markets and industries served; organisational structure; geographical spread; and so on” (Topalian 1984)

"... identity in its most basic sense; that is the fundamental style, quality, character and personality of an organisation, those forces which define, motivate and embody it" (Downey, 1986/87)

"The corporate identity is the ‘personality’ and ‘soul’ of the corporation”. (Lee 1983)

One must compare these with the following definitions:
"The corporate identity . . . is all planned and all visual . . . (It) is the firm’s visual statement to the world of who and what the company is—of how the company views itself . . .” (Selame and Selame 1975)

"Corporate identity is the total presentation of an organisation—the sum of all the elements that make (it) distinctive. The presentation is rarely simple, as it usually includes many media and addresses many audiences”. (Anspach 1983)

"... Corporate identity is about appearance . . .". (Olins 1978)

"... The impression of the overall corporation held by (its) various publics”. (Gray and Smeltzer 1985)

"Thus the corporate image of an organisation is the profile—or sum of impressions and expectations of that organisation built up in the minds of individuals who comprise its publics”. (Topalian 1984)

"The corporate image is composed of all planned and unplanned verbal and visual elements that emanate from the corporate body and leave an impression on the observer”. (Selame and Selame 1975)
Bernstein's (1984) usage of the terms is encapsulated in the following definitions.

"Corporate image is the net result of the interaction of all the experiences, beliefs, feelings, knowledge and impressions, that people have about a company. (Bevis 1967, quoted by Bernstein 1984)

"Corporate identity then . . . is the sum of the visual cues by which the public recognises the company and differentiates it from others". (Bernstein 1984)

It is clear that three concepts, personality, identity and image must be clarified. There is an obvious relationship between them. Every company has a personality, which is defined as the sum total of the characteristics of the organisation. These characteristics—behavioural and intellectual—serve to distinguish one organisation from another. This personality is projected by means of conscious cues which constitute an identity. The overall impression formed by these cues in the minds of audiences constitutes an image.

CORPORATE PERSONALITY

Numerous authors have recognised the fact that companies have personalities (Bernstein 1964, Bogle 1960, Gray 1986, Martineau 1960, Olins 1978, Pilditch 1970, and Schladermundt 1960).

Bernstein (1984) concedes that corporate personalities do not "grow" in exactly the same way as human personalities for two reasons. Firstly as it is a corporate personality many more influences—colleagues, customers, suppliers, the market place, etc.—act to considerably modify the unique personality. Secondly, there is a far greater degree of control over a corporate personality. What the corporate personality shall be, can be determined before the company is formed by deciding on what it is to do, what it shall believe in, how it shall operate all factors which constitute a corporate personality.

CORPORATE IDENTITY

Olins (1978) proposes that a sense of identity is natural and necessary to every social group. Organisations formed for the purpose of achieving some goal, as they mature, develop a culture. According to Schein (1984) organisational culture may be analysed at three levels—the level which concerns us here is that of the visible artefacts which are the constructed environment of the organisation, its architecture, technology, office layout, manner of dress, visible or audible behaviour patterns and public documents such as charters and employee orientation materials. Olins
suggests that a group will always develop a personality which is then projected as an identity which is different from and greater than the sum of the personalities involved. Visual identity is a part of the deeper identity of the group, the outward sign of the inward commitment, serving to remind it of its real purpose (Ollins 1978).

What is crucial to the successful communication of corporate identity, so that the perceived image does reflect reality, are consistency and congruency. Corporate identity is an assembly of visual cues—physical and behavioural by which an audience can recognise the company and distinguish it from others and which can be used to represent or symbolise the company. Schladermundt (1960) believes that the elements of the corporate identity should command instantaneous recognition and should signify the quality or personality of the company. Recognition can only be assured by consistency and all visual cues need to be congruent with, and support, each other. Recognition is an important response to strive for because familiarity breeds favourability. (Bernstein 1984).

THE FORMATION OF THE CORPORATE IMAGE

Several authors (Bernstein 1984, Bristol 1960, Gray 1986, Kennedy 1977) address the question of how the corporate image forms.

Bernstein (1984) believes that the corporate image is made up of countless details; it is an overall impression, a mosaic synthesised from numerous impressions formed as a direct or indirect result of a variety of formal or informal signals emanating from the company. The recipient of such signals "pieces together (these) fragments of corporate activity . . . into a concept. This is what we know as a corporate image". (Bernstein 1984).

Bernstein (1984) stresses that the image is not what the company believes it to be, but the feelings and beliefs about the company that exist in the minds of its audiences and which arises from experience and observation. From management's point of view, it is important to recognise that not all impressions contribute equally to an image—an individual may consciously or unconsciously select the thoughts and impressions upon which an image is based.

Gray (1986) maintains that "... corporate image is more than the product of the phenomenon of mob psychology" and that it results not so much from a single attitude held by the public at large, but from a mosaic of attitudes which form in the minds of those in close contact with the corporation. He believes that corporate image commences with a company's internal stakeholder, its employees, and how they perceive the company.

Martineau (1960) believes that the corporate image is a conglomerate of attitudes towards the company held by the various stakeholders.

Kennedy (1977) examines the corporate image formation process. She believes that as corporate image is shaped by personal contact and experience, the extent to which a single, consistent image is developed by
external stakeholders depends upon the consistency of the image formed by the internal stakeholder, the employees. She suggests that where management have adequately communicated its policies, a single, identifiable image develops amongst employees. Kennedy (1977) believes these company policies to be all-important since they form the basis of the company image which, because it is thus based in fact, can be enduring. However, where communication has been inadequate, views become fragmented and this leads to less consistent images.

**PLANNED CORPORATE IDENTITY PROGRAMMES**

According to Bernstein (1984) a corporate identity is not something a company decides whether or not to have. It’s got one whether it likes it—or plans it—or not. What it needs to do is fashion it according to what it believes it stands for. A company cannot directly change its image but it can change its identity. Thus corporate identity planning is another tool available to management.

Many authors have suggested that attention to corporate identity will enhance efforts to differentiate and reposition companies (Anspach 1983, Chajet 1984, Downey 1986/87, Golnick 1985, Gray and Smeltzer 1987, and Portugal and Halloran 1986).

Various authors have presented comprehensive recommendations as to how to go about developing and instituting a planned corporate identity programme and without exception they all recommend that design consultants be brought in (which is not surprising as they all are design consultants) (Olins 1978, Pilditch 1970, Selame and Selame 1975).

When planning a corporate identity for an organisation, the relationship between identity and the corporate philosophy must be made. Bernstein (1984) argues that it is the ultimate duty of management to know what it is doing and why, its essential “raison d’etre” by uncovering the causes of laws (by determining) the principles underlying any department of knowledge. Following on from this fundamental duty is the related duty to find expression for the knowledge and then to dissemble it. The most important part of the philosophy is the corporate mission, which is a succinct expression of company purpose, ideally setting it apart from all other companies. Bernstein’s (1984) linkage of corporate philosophy and corporate identity arises out of his belief that corporate identity firstly captures, and secondly, serves as a vehicle for expression of the company’s philosophy.

Organisations have to communicate their philosophy through a corporate identity programme which comprises a planned assembly of visual ones.

**THE CORPORATE IMAGE MANAGEMENT PROCESS**

No attempt has yet been made to develop a conceptual model of the
corporate image management process. Such a model is presented in Figure 1.

**Stage 1—The Corporate Personality**

The formal articulation of a corporate philosophy which is highly specific to the company, is believed to form the cornerstone of the corporate image management process. Such an exercise provides management with an opportunity to explore the corporate personality and to develop a corporate philosophy which embodies the core values and assumptions which, according to Schein (1984), constitute the corporate culture. It is imperative that this be done at the highest level in the organisation, because it is only at this level that the necessary breadth of vision exists. The rationale behind the suggestion that this exercise forms the cornerstone of the corporate image management process, lies in the fact that before the corporate image can be managed, it must be understood. Management first needs to develop a sense of identity, an understanding of who the company is, what it believes and what it stands for.

The process by which management first articulates the corporate philosophy may well vary—it may be an integral part of the first strategic planning exercise or it may be initiated independently. How it is articulated is immaterial, what is important is that it is done.

The next key component of the corporate image management process involves those activities designed to effect the strategic management of the business. Strategic management consists of two interlocking tasks: the task of formulating a strategic plan (and reformulating it whenever circumstances warrant); and the task of implementing and executing the strategic plan (in the context of still doing the routine jobs associated with running the show on a day-to-day basis) (Thompson and Strickland 1986).

The strategic plan is a detailed blueprint of management’s answers to three basic strategic questions:

(i) What will we do and for whom shall we do it?
(ii) What objectives do we want to achieve?
(iii) How are we going to manage the organisation’s activities so as to achieve the chosen objectives?

The answer to the first question delineates the corporate mission. This is a succinct expression of corporate purpose, which is distilled from the corporate philosophy and which, according to Kotler (1983) should be market oriented, feasible, motivating and specific.

The relationship between the corporate philosophy and strategic management is thus made clear—a distilled form of the corporate philosophy, the corporate mission, shapes the strategic management of the business.

Once the corporate mission is clear, management sets the overall business
The Corporate Image Management Process

Corporate Personality
- Corporate Philosophy
  - Core Values
  - Corporate Culture
  - Strategic Management
  - Corporate Mission
  - Business Objectives
  - Strategy Formulation
  - Strategy Implementation

Corporate Identity
- Organisation's Communication Objectives and "Game Plan"
  - Functional Communication Objectives
  - Development of Structures and Systems

Corporate Image
- Customers
- Government
- Bankers
- Influential Groups
- General Public
- The Media
- The Trade
- Internal

Feedback

Figure 1
objectives. The setting of objectives will reveal what priorities are to be observed, what kind of market and financial performance is expected and what results are to be achieved through the company's chosen activities.

The means by which the business objectives will be achieved are outlined in an overall business strategy or "game plan" for approaching markets, competing against rivals and otherwise operating the company effectively.

As companies are usually structured along functional lines, objectives and a strategy for human resources, marketing, finance and production are developed from the overall business objectives and strategy.

Stage 2—Corporate Identity

The next key activity in the corporate image management process is the development of communication objectives, which are a subset of the overall business objectives. The communication objective-setting exercise should enable management to formulate its philosophy with respect to communication. A communication philosophy will emerge as such issues as what to say, how much to say, who to say it to etc. are dealt with. It is now that the insights developed during the articulation of the corporate philosophy really enter into the strategic management process. In instances where a mismatch of the corporate image and reality become evident, specific objectives designed to rectify this should now be included with the other communication objectives.

Once the overall business objectives and strategy have been formulated, they are promptly separated into distinct functional objectives and strategies. Whilst very logical from the point of managing the various operational and administrative activities, this detracts from the company's ability to manage its corporate image. It serves to further emphasise the separation of the functions, which precludes the development of an integrated and holistic approach to corporate image management. Thus, it is clear that provision must be made to re-integrate the communication aspect of each function's objectives and strategy. A total communication "game plan" which cuts across functional boundaries must be developed.

It is vital that the communication "game plan" be both formulated and (to a certain extent) implemented at the highest level in the organisation, because it is only at this level that it becomes possible to develop an holistic overview of the company.

It is envisaged that the scope of the communication "game plan" will encompass two organisational elements: structures and systems. The communication "game plan" should cater for their creation and management in an integrated, co-ordinated fashion, which will ensure that the objectives pertaining to the corporate image as well as the other communication objectives, are achieved.

The first item on the communication "game plan" agenda should be the provision of a staff department charged with the guardianship of the corporate image and which reports directly to the CEO. To this end, an existing functional department (Public Affairs is probably the best) could be
restructured, or a new department altogether could be set up. The first priority of the new structure (hereafter called the Communication Department, for the sake of convenience) should be to:

(i) review all existing management systems for corporate image implications; and

(ii) modify these, and if necessary, design and assist in the implementation of any additional systems required to manage the corporate image.

The term "management system" is defined as a particular sequence of activities which is carried out in an attempt to manage some specific aspect of organisational life. Whilst it is neither possible nor desirable at this point to enumerate all the possible management systems, a few examples which should be common to all companies will be given. These include training, performance appraisal, issue management, quality control, industrial relations, policy making, corporate identity programmes, the process whereby data is collected and analysed for use in the strategic planning process and a whole host more.

The co-ordination and ensuing consistency of many of the informal and behavioural messages resulting from the operational and administrative activities of the business, will be the outcome of such a policy-reviewing exercise.

The fact that most management systems fall under the auspices of one or other of the traditional functional areas, would appear to pose a problem to the Communication Department in dealing with this, its first priority. However, organising the Communication Department along the lines of a matrix structure described by Gibson (1978) should circumvent the problem. Small project teams made up of representatives from both the Communication Department and each of the functions are envisaged, each of which would evaluate the systems falling under the relevant functional area.

The communication Department should undertake another task which is tangential to that of policy assessment. This is to ensure that all corporate communications, both formal and informal, physical and behavioural, are underpinned by the prevailing corporate philosophy.

Not all the Communication Department personnel need to be involved in the policy assessment exercise. There are a number of other activities crucial to corporate image management which should logically be performed by the Communication Department—image research, environmental scanning and sociopolitical monitoring, media liaison, production of the Annual Report and corporate advertising are amongst them.

Stage 3—Corporate Image

The image interface represents the point of contact between the various
stakeholders and the company. It is at this broad interface that all the
stakeholder’s experiences (which are what determines the corporate image)
are shaped by the outcomes of the various management systems. Different
stakeholders come into contact with different outcomes. This would suggest
that it is possible to identify, for each stakeholder, a unique set of
management systems whose outcomes reinforce each other, thus creating
synergy in the corporate image management process. Managing these
systems as a unit in relation to the relevant stakeholder must surely
represent corporate image management at its optimum.

CONCLUSION

An attempt has been made to identify the differences between corporate
philosophy, corporate identity and corporate image. These three concepts,
once understood, are then combined into a conceptual model explaining the
corporate image management process.

The need for continued research by companies is evident. The issue of
testing this new approach needs to be resolved. More still needs to be done
to determine whether the companies’ images are in line with their corporate
philosophy as well as their corporate identity programmes. The next step is
to develop measures which will enable organisations to test the approach
discussed in this paper.

Acknowledgement

The authors wishes to thank P. S. B. Shee for her contribution.

References

20–30.
491–498.
Eastbourne, Holt, Rinehart & Winston Ltd.
(Ed.) Bristol, L. H., New York, Charles Scribner’s Sons.
October, pp. 7–10.
pp. 85–98.
53–58.
CORPORATE IMAGE MANAGEMENT PROCESS 75


D'Aprix, R. M. (1977), The Believable Corporation, New York, AMACON.


