Auteursrechterlijke overeenkomst

Opdat de Universiteit Hasselt uw eindverhandeling wereldwijd kan reproduceren, vertalen en distribueren is uw akkoord voor deze overeenkomst noodzakelijk. Gelieve de tijd te nemen om deze overeenkomst door te nemen, de gevraagde informatie in te vullen (en de overeenkomst te ondertekenen en af te geven).

Ik/wij verlenen het wereldwijde auteursrecht voor de ingediende eindverhandeling met

Titel: Selling the corporation : what are the corporate marketing strategies of growing companies in the international market ?
Richting: master of Management optie Business Studies Jaar: 2008

in alle mogelijke mediaformaten, - bestaande en in de toekomst te ontwikkelen - , aan de Universiteit Hasselt.

Niet tegenstaand deze toekenning van het auteursrecht aan de Universiteit Hasselt behoud ik als auteur het recht om de eindverhandeling, - in zijn geheel of gedeeltelijk -, vrij te reproduceren, (her)publiceren of distribueren zonder de toelating te moeten verkrijgen van de Universiteit Hasselt.

Ik bevestig dat de eindverhandeling mijn origineel werk is, en dat ik het recht heb om de rechten te verlenen die in deze overeenkomst worden beschreven. Ik verklaar tevens dat de eindverhandeling, naar mijn weten, het auteursrecht van anderen niet overtreedt.

Ik verklaar tevens dat ik voor het materiaal in de eindverhandeling dat beschermd wordt door het auteursrecht, de nodige toelatingen heb verkregen zodat ik deze ook aan de Universiteit Hasselt kan overdragen en dat dit duidelijk in de tekst en inhoud van de eindverhandeling werd genotificeerd.

Universiteit Hasselt zal mij als auteur(s) van de eindverhandeling identificeren en zal geen wijzigingen aanbrengen aan de eindverhandeling, uitgezonderd deze toegelaten door deze overeenkomst.

Ik ga akkoord,

TABOD, Felix Tekon

Datum: 5.11.2008

Selling the corporation

What are the corporate marketing strategies of growing companies in the international market ?

Felix Tekon Tabod

promotor :
dr. Tinne LOMMELEN

Master Thesis
master of Management

universiteit hasselt

Preface

Competition in the business environment of today is tough and the quest for competitive advantage is shifting focus from product/service differentiation and positioning to the organisation or corporation as an entity (corporate marketing). Businesses now understand that they can no longer rely on selling their offers only (products and services). A business also needs to sell itself as an entity, to its consumers and stakeholders. Selling an organisation is a new marketing paradigm known as corporate marketing. Corporate marketing activities are publicly visible programmes and actions that firms initiate and that are not identified with a single product/service or brand sold by the firm. The underlying goal is to conquer "mind-space" in the consumer. Corporate marketing is a strategic top-management function, which harmonises and synchronises previously stand-alone programmes like corporate identity, corporate image, corporate branding, corporate communication, corporate reputation, and most recently corporate social responsibility. My thesis explores the concept of corporate marketing and provides a description of the strategies that growing companies apply for their corporate marketing in the international markets. This master thesis is written as part fulfilment of the obligation to obtain the degree of Master of Management – Business Studies, at the faculty of applied economics at the University of Hasselt in Belgium.

As a student with a commerce background, it is interesting for me to find out what businesses actually do to handle the complex marketing situation of today. How they deal with a market environment in which product/services differences are difficult to see; where the vast majority of businesses in any given line of business are using the very same research, marketing techniques, and the very same communication means and tricks. My interest led me to choose to do my thesis on corporate marketing. The development of this thesis went through various stages. The process involved an in-depth review of existing literature on the subject of corporate marketing; the selection of the appropriate research methodology; a practical part that involved research at companies; and then analysis of findings and conclusions. I combined the theory with an empirical data collected from interviewing top-management officials of two Belgian rapidly growing businesses in the services sector - the Dexia and KBC Groups. Both companies operate in the financial sector in Belgium as well as in the international markets. My research found that there are as many approaches to corporate marketing as there are CEOs. However, it also found that the various approaches to corporate marketing could be grouped into two main strategy-types - standardisation and adaptation. At the end, the research question is answered with implications proposed; implications for practitioners, for the theory, and for further research.

The research and writing of this thesis took place under a limited period of time, and the weeks spent in the exercise have been intense, educative, demanding, and also fun, which makes the thesis worth being proud of. The wide review of literature and the interesting discussions and openness of my interviewees has enriched my knowledge of marketing and other business and particularly marketing-related issues. I hope that this thesis makes a contribution to existing research and opens a window for further research and discussion. This thesis would not have been possible to realise without the contribution and support of other professionals.

I like to thank my promoter and supervisor dr. Tinne Lommelen of the marketing department at the faculty of applied economics at the University of Hasselt, for her guidance through the entire process. I also like to thank my interviewees for providing me with valuable information during the interviews. They are:

- Mr. Paul Daels and Ms Astrid Dendievel, advisor on brand and image and Intern respectively of the communications division at the KBC head quarters in Leuven, Belgium;
- Mr. Paul Vandelinden, head of marketing for corporate banking at Dexia Belgium;
- Mr. Frank Van Assche, head of brand and project office – Communications at the Dexia head quarters in Brussels, Belgium;
- Mr. Smet Dirk, head of communications division at Dexia head quarters in Brussels in Belgium and his assistant Ms. Van Damme.

Finally I like that Ms. Karin Daniels, for her prayers, invaluable words of encouragement and moral support, during the course of my studies at UHasselt.

University of Hasselt, 2008

Executive Summary

This master thesis is presented in part fulfilment of the requirements to obtain the degree of Master of Management (Business Studies) at the Faculty of Applied Economics of the University of Hasselt, during the academic year 2007/2008. The thesis subject is 'Selling the Corporation' (Corporate Marketing). The subtitle, which follows, as the research question is, *"What are the Corporate Marketing Strategies of Growing Companies in the International Markets?"*

The paradigm of marketing has changed and continues to change. Trends in the business environment are changing the dynamics of the marketing game. Competition between products and services as well as between organisations is getting tough. As a consequence, businesses no longer rely only on selling their offers (products and/or services); they also sell their organisations as an entity alongside the products and services. This trend gives rise to a new marketing paradigm known as corporate marketing. In corporate marketing the corporation is the umbrella brand, under which all other offers are associated. As an umbrella brand, the corporation creates multiple associations with multiple stakeholders from which the individual product/service brands benefit.

This thesis investigates (explores and describes) the strategies that growing companies use for corporate marketing in the international markets. To help find answers to the research question (problem), two sub questions are asked: "*How can the corporate marketing strategies of 'growing' companies in international markets be described*?" And "*How can factors that determine the choice of corporate marketing strategies for 'growing' companies in international markets be described?"*
Background information on the subject reveals that corporate marketing activities are publicly visible programmes and actions that firms initiate, which are not identified with a single product or service brand sold by the firm. The fundamental goal of the corporate marketing function is to coordinate and harmonise the strategies of the elements that form the corporate marketing-mix (The 6Cs of corporate marketing), for efficiency, consistency and effectiveness. The elements of the corporate marketing mix include, corporate identity, corporate image, corporate communications, corporate branding, corporate reputation and corporate social responsibility. Corporate marketing is therefore a strategic top-management function.

As a consequence of the corporate marketing mix, the literature review on the subject is an elaborate review because the subject of corporate marketing embodies literature on the

elements of the corporate marketing mix (identity, image, branding, communication, and reputation) including CSR and internationalisation to a lesser extend. The resources used in the literature review process include articles, journals, books, magazines, and Internet sources. At the end of the literature review, a conceptual framework for analysing the corporate marketing strategies and activities of a corporation is proposed. The proposed framework is later adapted to analyse the corporate marketing situation in the case studies for this research, using knowledge from Literature as benchmark.

The corporate identity element is concern with portraying the values of the corporation, which tell who the corporation is and what it stands for. Identity is therefore concern with the way the corporation wants to be perceived. The Identity element lays the foundation for the other CM mix elements like image, branding and reputation. Identity also extends to the organisational identity. The organisational identity is provides an internal perspective on how the internal stakeholders, especially the employees perceive themselves within the corporation. It is analogous to culture and employee behaviour. The image element is subjective because it is how the public perceives the corporation. The identity helps to form the image. The corporation has little leverage over its image. Over the long-term, the image forms the reputation of the corporation. A positive reputation acts like a 'magnet' for the corporation. It is a call-card and acts as a veritable source of competitive advantage. Corporate communication on its part is an important element in the CM mix because all the other elements in the mix need communication to achieve their goal. Corporate communication can take three forms, namely management communications, marketing communications, and organisational communications. The corporate social responsibility element is viewed in two perspectives; the 'action oriented' or operational perspective, which involves community involvement and environmental involvement; and the 'conceptual' or philosophical perspective, which is more about communication. The concept of Internationalisation, mentioned in a 'passive' form explains the motive for companies to expand into international markets.

Chapter three on the methodology of research for this explanatory and exploratory research explains the criteria for selecting the firms used as case studies for the research. A subjective choice of organisations was made and "convenience" played a role in the selection process. The qualitative research approach, the most appropriate for an exploratory research is chosen. An in-depth interview is the method used to collect the primary data.

The data collected from the interviews is presented in chapter four. In chapter five the collected data is analysed. The analysis is presented in two stages. First, each case is analysed by making a comparison with the existing theory; then the data from both cases are compared in a cross-case analysis. For each case the pattern of analysing the data follows the six elements of the CM mix (6Cs) plus the corporate social responsibility element. The data is analysed in each case by taking a critical look at what the corporation interviewed is doing in relation to what the theory says about the elements of the CM mix. To conclude each case analysis, a conceptual framework is used to summarise the corporate marketing situation of that case in comparison with the theory. This comparison provides a picture of the state of the corporate marketing of the firm in the international markets. At the end, the both case studies are compared in a cross-case analysis, which provides a perspective to summarise the findings.

The findings from the research enable a description of the strategies the growing Companies use for corporate marketing in the international markets, as well as the factors that determine those strategies. The findings are discussed in the same sequence that the data was analysed. That is, following the elements of the CM mix (the 6Cs) plus corporate social responsibility (CSR). Findings about strategies used and the factors that lead to the strategies provided a pathway to answer the research question. – *What are the corporate marketing strategies used by growing companies in the international markets?* Three strategy types used by growing Companies are found including Standardisation, adaptation, and adaptation-with-endorsement. And factors such as market complexity, marketing cost, shareholders' interests, and internationalisation methods used are found to influence the choice of strategy.

Further to the discussion, implications on the findings are discussed. The discussion of the implications looks into three perspectives including the implication on the theory, the implication for practitioners and the implication for further research. The implication for further research proposes directions to expand this research.

Table of Content

Chapter 1 Introduction

This thesis aims to explore the emerging concept of organisational and corporate marketing, focusing on the strategies used by 'growing' companies in applying the concept. Economic and environmental trends are constantly changing and as such are affecting the way organisations operate in the knowledge economy of the 21st century. These trends gives rise to the new ways of doing business. One of such change is in the marketing field. A new marketing paradigm known as corporate marketing has emerged. It is against the backdrop of my interest in this new 'new' paradigm that I choose to do my research and master thesis on corporate marketing. This research is based on the following problem statement and the subsequent research questions.

"As companies grow and expand (internationalisation), what are the corporate marketing strategies use in the international markets?"

To answer the question, the following sub questions are asked as building blocks to exploring and having a deeper understanding of the concept and the way Companies are going about its implementation:

- **"How can the corporate marketing strategies of growing Companies in international markets be described?"**
- **"How can factors that determine the choice of corporate marketing strategies for 'growing' Companies in international markets be described?"**

Many organisations, profit oriented and not-for-profit alike are affected by the changes taking place, as such they are all involved in corporate or organisational marketing in one way or the other.

Balmer and Greyser (2003 - *p5*) state that, a number of authors have noted, regarding identity, image, and reputation, that new environmental pressures on business have led to increasing importance being accorded to these topics and, in overview, also to corporate brands. Further, they suggest that these pressures include the acceleration of product life cycles; deregulation; privatisation programmes; increased competition in the public and not-for-profit sectors; increased competition in the service sector; globalisation and establishment of free trade areas; merger, acquisition, and divestment; shortage of high-calibre personnel; public expectations for corporate social responsiveness; and the increased salience to organisations of external stakeholders.

Organisations respond to these changes by adopting new approaches (innovative approaches) to doing business. Traditionally, marketing was concern with selling of products and services. But in today's knowledge economy, organisations are increasingly realising that they need to sell themselves as an entity, while simultaneously sell their products and/or services, in order to consolidate 'mind-space' in their stakeholders and audiences. Selling the corporation or call it corporate marketing is one of the latest twists in the field of marketing.

Background

Since the 1950s various concepts have captured the imagination of scholars and practitioners (organisational identity, corporate identity, corporate branding, corporate image, corporate reputation, and corporate communications). Each of these concepts has their own intellectual roots and practice based adherents and whilst individual corporate-level concepts provide a powerful, and radical, lens through which to comprehend organisations, individual perspectives are necessarily limited. For this reason an integrated approach to marketing at the organisational and institutional levels would seem to be highly desirable and thus the need for organisational and corporate marketing. (.Balmer &. Powell –Blog 2007)

At this stage it is important to understand the distinction between corporate marketing and organisational marketing. Are they different concept?

Balmer and Powell (Blog 2007) state that corporate marketing has a general applicability to entities, whether they are corporations as well as other categories such as business alliances, cities, government bodies and departments, or branches of the armed force and so on. While organisational marketing can apply to various kinds of organisations from Small and Medium Sized Enterprises (Companies) through to charitable, publicly funded or large multinational companies, however it is not restricted to such traditional business enterprises.

In this paper, the terms 'organisational marketing' and 'corporate-level marketing' are used interchangeably.

(Balmer and Greyser, put up the argument for the new concept in their anthology – '*Revealing the Corporation'*. They argue, "There is a need to chronicle the emergence, ascendancy, and eventual hegemony of various corporate-level concepts that, at various times since the 1950s, have energized the imagination of practitioners and scholars. They continue to argue that each of the concepts (corporate: identity, image, communication, reputation and branding) has a penetrating luminosity that reveals corporations in ways that we believe are original, profound, and sometimes startling". (Balmer and Greyser, 2003– p345)

Balmer and Greyser (2003) concluded their arguments with a question – "what does the sum of these various concepts represent?"

I think this is the fundamental question that makes the case for the nascent concept of corporate and/or organisational marketing.

In addressing the question as to what the orchestration of the concepts of identity (organisational and corporate identities), corporate communications, corporate image, corporate reputation, and corporate branding represent, Balmer and Greyser suggest, "we see them as providing the building-blocks of a new gestalt: a new philosophy of management." (Balmer and Greyser 2003 –p347)

Organisational / Corporate marketing

Corporate marketing activities are publicly visible programmes and actions that firms initiate and that are not identified with a single product/service or brand sold by the firm. (Kevin L. Keller and David A. Aaker, 1998)

*(*Balmer and Greyser, 2003- P348*) state* "Corporate-level" connotes that the area of concern is with corporate entities in their totality, including corporate-level networks and partnerships, and is strategic in effect." Further, they extend their definition by stressing, "we envision that the notion of profitable exchange relationships will remain an enduring feature of corporate-level marketing, as it does with traditional marketing. What is different is that the emphasis will be on *multiple* exchange relationships". Reiterating that internal and external groups are not so much stakeholders or public but *partners*.

Corporate marketing has a general applicability to entities, whether they are corporations as well as other categories such as business alliances, cities, government bodies and departments*. (Www.corporate-marketing.org - 21/11/2007)*

Organisational marketing can apply to various kinds of organisations from Small to Medium Sized Enterprises through to charitable, publicly funded or large multinational companies. It is concerned with organisational-level issues relating to the marketing of the organisation, while also considering the interaction between its various products and services with various stakeholders. *(Www.corporate-marketing.org, visited 21/11/2007).*

Balmer (2001) outlines the characteristics of corporate marketing and introduces a new corporate marketing mix based on the mnemonic "HEADS". This relates to what an organisation **H**as, **E**xpresses, the **A**ffinities of its employees, as well as what the organisation **D**oes and how it is **S**een by stakeholder groups and networks.

1.1 Features of corporate / organisational marketing

- Key for both corporate and organisational marketing is their common concern with multiple exchange relationships with multiple stakeholder groups and networks, both internally and externally (e.g. with and between owners, managers and employees) and externally with various constituencies. *(Www.corporate-marketing.org/what-is-corporate-marketing/)*
- Another feature is the importance accorded to the temporal dimension with there being fidelity not only to present relationships but those of the past and those prospective relationships of the future*. (www.corporate-marketing.org/what-is-corporate-marketing/)*

- Corporate-level connotes that the area of concern is with corporate entities in their totality, including corporate-level networks and partnerships - multidisciplinary in scope.
- "Corporate-level" denotes that the area of concern is strategic in effect. It will have more strategic management role.
- Individuals do not belong to a solitary stakeholder group but rather to multiple groups, and as such may be engaged in diverse corporate-level partnerships.
- There is a significant time dimension.
- Corporate-level marketing is more of a philosophy than a function. It needs to reside with mindsets of everyone within the organisation. *(Balmer and Greyser 2003-P348)*

Having these features still does not make a clear-cut distinction between corporate marketing and the traditional marketing. To understand and see the distinction, John M. T. Balmer a corporate marketing champion, in 2001, compared and contrasted between traditional marketing and corporate/organisational marketing. In his article '*corporate identity, corporate branding and corporate marketing: seeing through the fog'* (2001) and also sited in his anthology with Greyser, '*Revealing the corporation*' 2003 Page 351, Balmer presented a distinction between the approach to corporate marketing and traditional marketing. (See Appendix 1)

The concepts of positioning and differentiating products and services have a long history in the world of commerce. So too are many other marketing concepts such as advertising, branding, and marketing communication. These concepts have in the past been centred on products and services. With the nascent concept of corporate/organisational marketing, the same concepts are employed, not solely focusing on products and services, but on the corporation as an entity, and at a more strategic and organisation-wide level that **broadens the target groups from customers to stakeholders and audiences**. The conceptual elements organisations use to market themselves to their audiences include their corporate identity, corporate branding, corporate image, corporate reputation, corporate communications and corporate social responsibility programmes.

Schultz, Hatch, and Larsen *(2000)* argue that the future lies with the expressive organisation! And that expressive organisations understand their distinctiveness – they know their identity and are able to communicate it externally and internally in ways in which make key stakeholders feel a personal sense of belonging to the organisation and of having invested in its reputation and brand.

According to Schultz, Hatch, and Larsen (2000) Ideas such as organisational identity, reputation, and corporate branding have been around for a long time. But never before have the interests that promote these ideas within business been in greater need of one another's support.

Balmer and Greyser (2003) conclude from their anthology that the current corporate-level marketing orientation (late twentieth century onwards) is meeting the wants and needs of stakeholders profitably. Therefore organisations and corporations as entities increasingly compete based on their ability to express through marketing *who* they are and *what* they stand for, (the quest for *'mind space'* in the audiences) thus, the emergence of the strategic top-management function of corporate and organisational marketing – a function that would oversee the smooth harmonisation of all the six (6) elements of what Balmer calls '*corporate marketing mix' – CM mix.*

Character	Corporate identity / image	What we indubitably are
Constituencies	Marketing & stakeholder mgnt (IMAGE)	Whom we seek to serve
Conceptualisation	Corporate reputation	What we are seen to be
Communication	Corporate communication	What we say we are
Culture	Organisational identity	What we feel we are
Covenant	Corporate brand management	What is promised &expected
	Corporate social responsibility	What we give back

Table 1.1 The six (6) Cs of Corporate Marketing

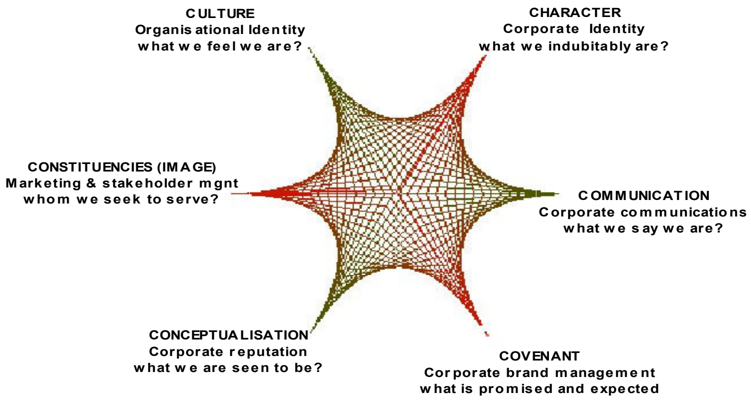


Figure 1.1 *6Cs of Corporate Marketing (Adapted by Felix Tabod)*

Source: Originally appears in Balmer 2006 (Bradford school of management working paper series). Also appears in Balmer and Greyser (2006), European Journal of Marketing, Vol. 40 No. 7/8, p735. Reproduced by www.corporate-marketing.org with the permission of Emerald.

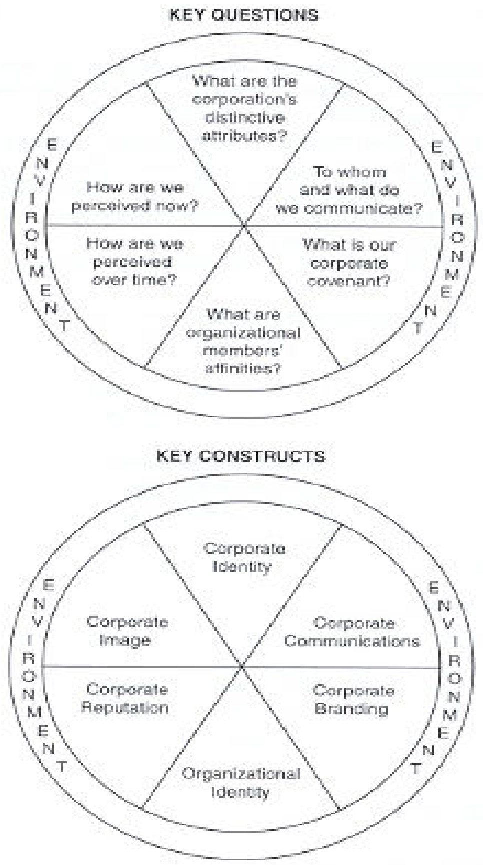


Exhibit 1 Key questions and key constructs

Source: Adapted from J. M. T. Balmer, "Corporate Identity," in M. J. Baker (ed.) *The IEBM Encyclopedia of Marketing*, London: International Thomson Business Press, 1999, pp. 732–746

Figure 1.2 *Constructs of the corporate marketing mix*
Source: www.corporate-marketing.org Visited 21/11/2007

In all the literature reviewed on the subject of corporate marketing for this thesis I found that most of the authors share the same opinion, leaning towards the view that corporate and organisational marketing should be the concern of top-management and entails a fusion or harmonisation of traditional marketing and management concepts such as identity, image, branding, communication, reputation and corporate social responsibility. The results of this harmonisation and fusion would provide the '*big picture'* of the corporation or organisation as a brand, which in turn would provide leverage for competitive advantage.

1.2 Importance of organisational / Corporate marketing (why?)

Balmer and Greyser (2003) argue that though the existing concepts: corporate Identity, Image, branding, communication and reputation, all have an immense richness, they are either inappropriate, inadequate, or carry much gratuitous baggage. Further, they argue that some of the concepts may be viewed as secondary concepts in that on their own they operate in a vacuum. They support their arguments with the following problematic questions and assertions:

- Identity may be seen in relation to corporate identification, which raises the following dilemma: identification with what?
- The area of corporate communication raises a similar quandary: communication of what and to whom?
- Corporate image on it own is more subjective and as such problematic.
- Corporate reputation has the disadvantage that reputation per se is no guarantee for business success or survival.
- Corporate branding has considerable utility. However, there is the risk of corporate branding fragmentation in large corporation.
- Corporate identity has been typecast from over emphasis by the graphic design industry. Businesses often see corporate identity in terms of logos and systems of visual identification. As such the identity concept is also problematic.

To make the case for the corporate marketing function, Balmer and Greyser (2003 P348) concluded the following, based on the questions and assertions above:
“What should be the umbrella title of this new management? And their answer to the question is “ We believe it should be known as *Corporate-level marketing*”.

Keller and Aaker (1998) states that since a corporate brand represents the maker of the product or service, perceptions of the company have the potential to provide source credibility to any product or service that the company sponsors. Keller and Aaker further suggest three major types of corporate marketing impact evaluation of a corporate brand:

- Activities that demonstrate product innovation
- Environmental concern
- Community involvement.

I think it is important for corporations and organisations to be able to present a consistent and uniform personality to their audiences through all the cues and signals they send out because consistency will help to form a strong stakeholders and organisation relationships. Such relationships are an important source of differentiation and competitive advantage in the marketplace of today.

Schultz, Hatch, and Larsen, (2000*)* state that to win in today’s ferociously competitive world, companies don’t have to sell products and services, they also have to sell a style and an image.
In my opinion a strategic management level function (corporate marketing) that harmonises organisation-wide or corporation-wide strategies for identity, branding, communication, and social responsiveness, does not only bring financial benefits but also aligns products/services branding and marketing with organisational marketing strategies.

Nevertheless, it is important to note that this assertion will be most effective in a situation where the corporation practices a monolithic branding/identity strategy. Where other branding strategies are used, aligning products/service branding with corporate marketing can be a difficult but not impossible task.

1.3 Pitfalls of corporate marketing

Balmer and Greyser (2003) argue that the perspective of corporate-level marketing is not without it difficulties. Further, they point out that corporate marketing comes with a realisation that individuals do not belong to a solitary stakeholder group but rather to multiple groups, and as such may engaged in diverse corporate-level partnerships.

1.4 Purpose of this thesis

Based on the discussion is sections 1.1 to 1.3 above, the aim of this research is to gain a deeper understanding (explore) on the corporate/organisational marketing strategies of growing Small and Medium Sized organisations in the international markets. The purpose is researched by addressing the following research questions and sub questions: ***"what are the corporate marketing strategies of growing Companies in the international markets?"*** The sub questions form the building blocks through which the research question is answered. The sub questions include:

- How can the corporate marketing strategies of growing Companies in international markets be described?
- How can factors determining a growing Company's choice of corporate marketing strategies in international markets be described?

1.5 Thesis Outline

This thesis is made up of six chapters as shown in the figure 1.3 below. It starts with an introduction that looks into contemporary trends in the knowledge economy and their impacts on organisations and corporations. The subject of the thesis is presented and background information of the subject is provided; features and reasons for the concept of corporate and organisational marketing are outlined followed by purpose and layout of the thesis outline. In chapter 2, literature review, relevant secondary literature concerning the research questions is presented. A the end of the chapter a conceptual frame work is proposed and presented, in order to narrow down the information and present a clearer and more concise view of the important issues. Chapter three, methodology, presents an explanation of the method used in collecting empirical data on the research. Chapter four presents the results from the empirical data collected during the research. Chapter five, data analysis, presents a comparison of the empirical data collected with the theory reviewed on the topic. In chapter six, the findings from the two case studies are compared, discussed and a conclusion drawn.

Before proceeding to find out how the Companies and implementing their corporate marketing, and what strategies they use, I would like to take you through what the literature says about the subject. The review of this literature is in the next chapter

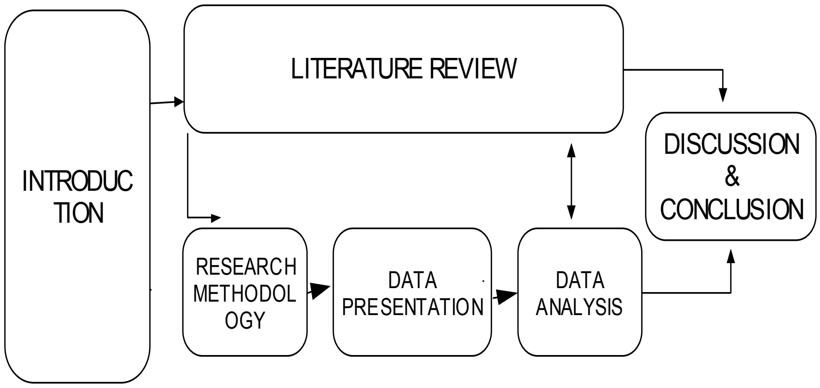


Figure 1.3 Thesis flow chart designed by Felix T Tabod - Author

Chapter 2 Literature Review

As we now understand, the nascent concept of organisation/corporate marketing is and should be a strategic top-management function to harmonise traditional marketing and management concepts (identity, image, reputation communication branding and social responsibility) that when allow to operate separately have to potential to send conflicting, inconsistent, and fragmented signals to the stakeholders and audiences. With an umbrella function that oversees organisation-wide strategies and implementation (with possibility of adaptation to local conditions) the organisation optimises its position in creating and/or consolidating 'mind-space' in her stakeholders and audiences.

This chapter sets out to explore available literature on the six elements of the corporate marketing mix –CM mix, plus CSR – to understand their importance and relevance to the corporation/organisation marketing in their various halos, as well as understand their correlations. The literature review therefore looks into the elements that make-up what Balmer refers to a "*corporate marketing mix*" (corporate identity, branding, image, reputation, communication, and organisational identity) plus corporate social responsibility.

2.1 Corporate Identity (*What are we?)*

The concept of identity has been widely defined. It is common to hear expressions as individual identity, group identity, social identity; national identity; and more recently, corporate identity. In this thesis, we focus on corporate identity and organisational Identity. Identity can be regarded as inhibiting a tripartite world; Visual identity, organisational identity (seeks to address the question "who are we?"), and corporate identity (it seeks to address the question "what are we?" as well as "who are we?")

2.1-1 *Definitions*

In somewhat specialised language of the field, identity means the sum of all the ways a company chooses to identify itself to all its publics – the community, customers, employees, the press, present and potential stockholders, security analysts, and investment bankers. *(Walter Margulies in Balmer and Greyser, 2003 -P68)*

In essence, corporate identity is the reality and uniqueness of an organisation, which is integrally related to its external and internal image and reputation through corporate communication (Gray and Balmer, 1998)

'Corporate identity is the self-presentation of an organisation; it consists in the cues or signals which an organisation offers about itself via the behaviour, communication, and symbolism' which are its forms of expression (van Rekom, VAN Riel and Wierenga, 1991 In C.B.M. Van Riel, 1995; P36)

The distinctive public image that a corporate entity communicates that structures people's engagement with it. While organisational identity is the shared meaning that an organisational entity is understood to have that arises from its members' (and others') awareness that they belong to it. (Cornelissen, Joep P.; Haslam, S. Alexander; Balmer, John M. T. – 2007) Corporate identity is the strategically planned and operationally applied internal and external self-presentation and behaviour of a company. It is based on an agreed company philosophy, long-term company goals, and a particular desired image, combined with the will to utilise all instruments of the company as one unit, both internally and externally. (Birkigt and Stadler, 1986 In C.B.M. Van Riel, 1995) Corporate identity is the total of visual and non-visual means applied by a company to present itself to all it relevant target groups on the basis of a corporate identity plan (Blauw, 1994 In C.B.M. Van Riel, 1995) Corporate identity is that tangible manifestation of the personality of a company. It is the identity, which reflects and projects the real personality of the company (Olins, 1989 In C.B.M. Van Riel, 1995) "Identity means the sum of all the ways a company chooses to identify itself to all its publics". (Margulies, 1977 In C.B.M. Van Riel, 1995)

Looking at the numerous definitions that have been given to the concept of corporate identity over the years, the definition presented by the BNET Business Directory, in my opinion is the most comprehensive. The directory define corporate identity as follows:

> The distinctive characteristics or personality of an organisation, including corporate culture, values, and philosophy as perceived by those within the organisation and presented to those outside. Corporate identity is expressed through the name, symbols, and logos used by the organisation, and the design of communication materials, and is a factor influencing the corporate image of an organisation. The creation of a strong corporate identity also involves consistency in the organisation's actions, behaviour, products, and brands, and often reflects the mission statement of an organisation. A positive corporate identity can promote a sense of purpose and belonging within the organization and encourage employee commitment and involvement. (BNET Business Dictionary 12/4/08)

The identity of a corporation or an organisation is related to its mission and goal, its structure, its ownership, as well as the leadership style. In theory, the identity of an organisation tells *who it is and what it stands for*. However, due to constant changes within and outside organisations, organisations continue to adapt in respond, as such, there are consequences for the corporate identity. A glaring example is the current trend of growth through mergers and acquisitions and alliances. Balmer and Greyser (2003) state that, the view that identity is of particular importance throughout different stages of an organisation's life cycle is explained by means of the identification of six life cycle stages. Albert and Whetten in Balmer *and Greyser (2003*-P78) argue that identity issues come to the fore for the organisation: during its formation; upon the loss of the founder; on the accomplishment of an organisation's raison d'etre; during a period of rapid growth; when there is an anticipated change of status brought about through a merger or divestiture; and lastly during a period of retrenchment.

2.1-2 Importance of Corporate Identity

Organisations as well as corporations need to deal with people for their internal operations and most importantly for their external operations in pursuit of their mission and goals. It is therefore imperative that they have an identity because it enables stakeholders to recognise *who* an organisation is, *what* it stands for, and related with them. Van Riel (1995) states that a company presents itself to its target group in three ways – the corporate identity-CI mix that is compose of: Symbolism, Communication and Behaviourism. Van Riel (1995-P28) further stressed that, all elements in the CI mix can be used both internally and externally to present the personality of the enterprise, according to an agreed company philosophy. *Balmer and Greyser, (2003*-p43*)* argue, *"*At the corporate level the discussion of strategy, reputation, image, and communication becomes difficult, if not futile, unless identity is brought into the equation. As Gioia mused, the concept (identity) is fundamental to the conceptualisation of the corporation".

Cornelissen, and Balmer, (Mar2007 Supplement), corroborate Van Riel's corporate identity mix and its importance, stating that the *behaviour* of a company is by far the most important and effective medium through which corporate identity is created. And that communication is the most flexible form of corporate identity, stressing that the flexibility of communication lies in the fact that more abstract signals can be transmitted to shareholders and stakeholder groups. They also state that symbolism, gives an implicit indication of what the organisation stands for, or at least what is wishes to stand for.

Olins-1998 In Van Riel (1995) distinguishes three kinds of corporate identity namely:

1- *Monolithic identity* (in which the whole company uses one visual style e.g. Philips, shell, BMW)
2- *Endorsed identity* (in which the subsidiary companies have their own style, but the parent company remains recognizable in the background e.g. General Motors, L'Oreal,

3- *Branded identity* (in which the subsidiaries have their own style, and the parent company is not recognized to 'the uninitiated' e.g. Unilever.

It is important to understand that the concept of identity, like most other marketing and management concepts has evolved over the years. This thesis does not get into that evolution. However, the evolution of the concepts has let to the nascent concept of corporate marketing, which is the central issue in this thesis. Corporate identity is a fundamental element of the corporate marketing mix (CM mix) because it lays the foundation for the other elements in the mix. In stressing the importance of corporate identity to organisations Hong-Wei and Balmer (2007) argue that the concept of identity provides the platform by which many corporate-level concepts can be understood such as corporate branding, corporate communications, corporate image and corporate reputation. As such, it can be viewed as providing the foundation to the nascent field of corporate marketing.

Brexendorf and Kernstock (Sep2007) state that Identity builds the basis for differentiation and competitive advantage by influencing the stakeholder image of the corporation.

Corporate identity in essence has two faces - the internal face and the external face. The external face focuses mostly on the communications and symbolic elements of the CI mix. While the internal face focuses on the behaviour element of the CI mix. It is important to get this right because the latter enhances the former. The behaviour of an organisation together with the behaviour of its employees enhances the corporate identity.

2.1-3 Organisational Identity (corporate personality)- who are we?

Research suggests that the behaviour of a corporation as a whole is a core element of its identity. Organisational and employee behaviour is often related to corporate culture. According to Brexendorf and Kernstock (Sep2007), the identity of the organisation guides employees in their behaviour. Thus, identity and behaviour are strongly interlinked.

Brexendorf and Kernstock (Sep2007) state that corporate values and culture shape and prefigure the behaviour of the employees. In the context of organisations, the behaviour in question is between the employees and stakeholders of the corporation. Behaviour occurs at the identity / image interface at the ' moment of truth ' .Ind in Balmer and Greyser (2003) state that the perception of an organisation is directly or indirectly influenced by its employees and management. In my opinion, the behaviour needs to be strongly aligned with both the identity or values and the promise of the corporate brand.

Balmer in (Balmer and Greyser 2003) define organisational identity as follows:

> *An organisation's identity is a summation of those tangible and intangible elements, which make any corporate entity distinct. It is shaped not only by the actions of the corporate founders and leaders, by tradition and the environment, but also by the mix of employee values*

> *and affinities to corporate professional, national and other identities. It is multidisciplinary in scope and is melding of strategy, structure, communication and culture. It is made manifest through multifarious communication channels and encapsulates product and organisational performance, controlled communication and stakeholder and network discourse.*

Organisational identity in this perspective is analogous to organisational culture. It is therefore important that internally, a corporation ensures a strong alignment between the core values and identity and the expression of these values through the behaviour of employees. More on the role employees' behaviour play is discussed in corporate branding.

Rhee, Noh Jong and Han, Eun Kyoung (Winter2007) stress that corporate management activity is considered a branding activity to the stakeholders, so establishing a correct corporate identity (CI) is imperative. According to Rhee and Kyoung (2007), the stakeholders recognize the entire corporate entity as a brand, thus CI is not simply an image of the management, but a sum total of all corporate management activities. The centrepiece of CI is the corporate culture. Based on the suggestions and arguments above I think the core of a brand is based on its associated corporate identity, that is, its corporate culture. Thus, establishing a correct corporate identity based on corporate culture can present a highly desirable impression to the stakeholders.

According to Balmer and Greyser (2003 - P34) "ignoring issues of identity is not a feasible option, particularly for managers. Indeed, it only tends to exacerbate a problem. Identity issues do not go away, and can surface with a vengeance".

2.1-4 Impact of corporate Identity on Corporate Marketing

As mentioned already, corporate identity plays a fundamental role in laying the foundation for other corporate-level concepts that belong to the corporate marketing mix (reputation, image, branding, communication, and social responsiveness). Therefore the impact and importance of a clear corporate identity cannot be over emphasised. Balmer and Greyser (2003 - P33) emphasis that, the identity concept is powerful, powerful because at its heart resides two profoundly important corporate-level concerns. These are: "who are we?" (More internally focused) and "what are we?" (More externally focused – marketers and communicators' concern)

The impact corporate identity has on corporate marketing can be best explained by "The Strathclyde" Statement on corporate identity. In 1995 a group of renowned scholars, professionals, and actors in the field of corporate identity established the International Corporate Identity Group (ICIG), which had the primary objective of raising the profile and understanding of corporate identity and related issues by both scholars and the business community. They came up with a statement "The Strathclyde statement which says:

> *Every organisation has an identity. It articulates the corporate ethos, aims and values and presents a sense of individuality that can help to differentiate the organisation within its competitive environment.*
>
> *When well managed, corporate identity can be a powerful means of integrating the many disciplines and activities essential to an organisation's success. It can also provide the visual cohesion necessary to ensure that all corporate communications are coherent with each other and result in an image consistent with the organisation's defining ethos and character.*
>
> *By effectively managing it corporate identity an organisation can build understanding and commitment among its diverse stakeholders. This can be manifested in an ability to attract and retain customers and employees, achieve strategic alliance, gain the support of financial markets and generate a sense of direction and purpose. Corporate identity is a strategic issue.*
>
> *Corporate identity differs from traditional brand marketing since it is concerned with all of an organisation's stakeholders and the multi-faceted way in which an organisation communicates.*

The above statement explains the impact corporate identity (clear and strong) has on the strategic functions of corporate marketing. Schultz, Hatch, and Larsen (2000) state that to win in today's ferociously competitive world, companies don't just have to sell products and services, they also have to sell a style and an image. Furthermore, they state that the organisation's survival depends on everyone with whom it deals, knowing who it is and what it stands for. We understand that an image is formed based on the identity presented, therefore a clear and strong identity has an impact of the corporate marketing.

As organisations continue to aspire to grow, enter new markets, they will continue to face the challenges posed by defining who they are and what they stand for (corporate Identity) in those markets. As such corporate identity will continue to make an impact since it lays the foundation for corporate image, reputation, branding and communication. Balmer and Greyser (2003 p15) mentioned, "Recently companies have been experiencing a period where the corporate identity landscape has become more active and more crowded. For instance mergers, spin-offs, acquisitions, and alliances have led to many new or meaningful changed companies, in run calling for new identities by name and/or business focus. Consequently, corporate managing of identity and image has become more salient, especially in and for the financial marketplace and for the media"**.**

2.1-5 Having a Fragmented Corporate Identity

According to *Balmer and Greyser 2003 (*p27), multiple identities are pervasive – in public organisations as well as in the private sector, in product firms and service firms, and in global entities and more local ones. They state that in merger and acquisition situations, senior managers need to be extra sensitive to the even lager number of identities present, which in turn may call for harmonisation.

Balmer and Greyser (2003) further depict five identities that are present in any corporate (or organisational) entity, which managers have to manage effectively for consistency. They include:

Actual Identity: Constitutes the current attributes of the corporation

Communicated Identity: Most clearly revealed through "controllable" corporate communication.

Conceived Identity: Refers to perceptual concepts – corporate image, corporate reputation, and corporate branding.

Ideal Identity: The optimum positioning of the organisation in its market (or markets) in a given time frame.

Desired Identity: Lives in the hearts and minds of the corporate leaders.

According to Balmer and Greyser, (2003, P18) organisations must manage their multiple identities to avoid potentially harmful misalignments.

Employees are a potential source of corporate identity fragmentation. Management therefore needs to ensure buy-in from the employees on the identity of the organisation because employees are one of an organisation's 'windows to world'. Employee behaviour needs to live the corporate brand; they need to practice what the corporation preaches. If employee behaviour is not aligned to the identity of the organisation, then other stakeholders are going to create an undesired image of the organisation and consequently not a positive reputation.

According to Brexendorf and Kernstock (Sep2007) the employees provide the interface between the internal identity and the external expression of identity and contribute to building and maintaining the brand. Identity determines the perceptions and actions of the organisation ' s members - employees must have a commitment to the brand and the ability, knowledge and motivation to live the brand values. Therefore, corporations need employees who express these values through their daily behaviour.

2.1-6 The Pitfalls of Corporate Identity

Read, Stuart (Sep/Oct2007) suggests that there are many things that can go wrong when trying to build a strong identity. So what are the pitfalls?

1. Not having one at all. Altria, A Fortune 100 firm, is all but unknown. And while the firm owns brands such as Marlboro and Virginia Slims, it gains no leverage across these assets.

2. Confusing it with product. Look at Visa. You associate it with your Visa card. Is it a valuable brand? Absolutely. Is it a brand that is going to be hard to translate into other products? Yes, because the identity of the brand is product-focused, not value-focused.
3. Building a confederation. Louis Vuitton, Moet Hennessey (LVMH) is recognized far having acquired brands like DeBeers and Givenchy, but it has no identity beyond that which is associated with the individual brands that make up the name (Louis Vuitton, Moet Hennessey).
4. Straying too far from the market.
Sony has been so successful at building corporate identity that it has almost created a universe of its own with products that no longer interoperate with the broader industry. Try using a Sony memory stick in an IBM-compatible computer—you can't do it. However, if you con avoid the pitfalls, a well-managed corporate identity is closely correlated with success. (Read, Stuart: Sep/Oct2007)

2.2 Corporate Branding

Recent global scandals that resulted in the demise of Enron, WorldCom and Parmalat have triggered an increase in interest in corporate branding, identity and communication. Business leaders are starting to pay more attention to how the identity of a corporation reflects how the company operates within the wider context of a global community. Corporations are making a stronger effort to improve their stance in relation to the environment, governance, social responsibility, humanitarianism and safety. (Melewar, T C and Karaosmanoglu, Elif -2006)
The saying that "*A whole is greater than the sum of the parts"* is the best phrase that I think puts the concept of corporate branding in context.
(BIG 18/04/08) points out that successful corporate branding is all about establishing a long-term vision for a company and crafting the company's operations to meet that objective. Some companies that do this well include Microsoft, Intel, Singapore Airlines, Disney, CNN, Samsung and Mercedes-Benz. Stated on BIG (18/04/08), "The kind of brand strength these companies enjoy takes a long time and a lot of work to establish, and there's a lot of brand research and tracking to maintain. But it's not as difficult as it sounds. Today, a company of virtually any size can use the same sophisticated branding research tools the big boys use".
According to Hatch & Schultz (2008), successful corporate branding often stems from a strong coherence between what the company's top-management seek to accomplish (their strategic vision), what the company's employees know and believe (lodged in its organisational culture), and how its external stakeholders perceived the company (their image of it). Further, they state that misalignments between these three factors, in turn, indicate an under performing corporate brand.

Who is involved in corporate branding? Balmer and Greyser (2003) state that corporate brands are found in organisational bodies of every category. They argue that the construct is equally applicable to countries, regions, cities, etc. According to Balmer and Greyser (2003), the corporate branding philosophy, at its core, represents an explicit covenant between an organisation and its key stakeholder groups, including customers.

2.2-1 Branding - Definitions

In their anthology, Balmer and Greyser (2003 - p245-246) state that traditionally, two types of branding definitions have been identified, erstwhile (former or ex) and established (well-known) definitions of branding.

Erstwhile (former): in its simplest sense a brand denotes a name, logotype, or trademark and was originally used to signify ownership, as with the branding of livestock.

Established definition: branding refers to the added value that a brand brings to a product. Balmer and Greyser (2003) further point out that there is a new understanding of branding. "We call this aspect of branding 'emergent'. With this category, we are referring to "*brands at the corporate level*".

Corporate branding is the practice of using a company's name as a product brand name. It is an attempt to leverage corporate brand equity to create product brand recognition. It is a type of family branding or umbrella brand. Disney, for example, includes the word "Disney" in the name of many of its products; among many other examples are IBM, Pepsi, and Coca-Cola. (From Wikipedia, the free encyclopedia)

Balmer and Greyser, 2003 - p246-247) present corporate branding as a concept, which more than any other helps define the boundary-spanning characteristics of organisations in ways that are surprising if not inspired. They suggest that it transcends the internal and external dimensions of corporations, as well as those between organisations and industries (including the supply and distribution chains)

Looking at the various definitions, we can see that corporate branding engulfs corporate identity, which by implication means that corporate identity is merely a component of the overall brand strategy.

2.2-2 Importance of Corporate Branding

Today, many markets are overpopulated with both large and small companies and over exposed with marketing messages. This has made for a difficult landscape to get a marketing message noticed. And with the rising costs of getting a new product or service ready for the market, it has become even more important to cut through this clutter. The one sure-fire way of doing this is by having a corporate branding strategy. (BIG 18/04/08)

As stated on (BIG 18/04/08) "Powerful corporate branding can equip almost any new product or service with instant credibility and value that simply can't be reproduced with any sort of product-focused marketing campaign”. That is why it is vitally important for any serious corporation that wishes its product offerings to be successful to create and protect a strong corporate brand.

Why is it important to worry about branding your corporation? It is important because:

- A strong corporate brand adds depth and value to a company’s product offerings. It’s also a public statement of the company’s culture and values. For instance, HSBC bank, one of the world’s largest banks, has the tagline “The World’s Local Bank,” which both represents the size of the bank, but builds on its purported focus on individual people (BIG 18/04/08)
- Corporate branding can result in significant economies of scope since one advertising campaign can be used for several products.
- It also facilitates new product acceptance because potential buyers are already familiar with the name.
- Corporate brand management aims to establish a favourable disposition towards the organisation by its various stakeholders.
- The conceptual framework suggests that aligning the company, the stakeholders and the customers is important, as it is the entire corporation that is being branded. The context of the conceptual framework is looked upon in terms of the alignment between strategic vision, brand identity and brand knowledge. (Catharina and Kirsti (2006)
- Corporate brands can be accorded significant financial goodwill. (Balmer and Greyser 2003)
- Corporate brands augment the identity of the organisation through added uniqueness in terms of values, style, or experiences. (Balmer and Greyser 2003)

2.2-3 Drawback of corporate branding

Though much has been said and written about the importance and advantages of adopting a corporate branding strategy for large corporations, there are some drawbacks that may result from applying the strategy.

“A significant drawback to this strategy (corporate branding) is that products may not be treated individually, which reduces the focus on the products' unique characteristics. Another potential disadvantage of corporate branding is that the corporate name can become synonymous with a product category. Examples of this phenomenon are Kleenex and Tampax. Even purchasers of Charmin, a competitor to Kleenex, sometimes refer to the product as Kleenex. Although having such a dominant mind share is usually encouraged, the downside is that such genericised trademarks can lose their trademark protection”. (Source: Wikipedia, the free encyclopedia) More information on gerericised trade names in appendix 2

2.2-4 Internal branding

A corporate branding strategy needs to incorporate internal branding, especially because for organisations, employees play a dual role, as they both relate with the external public as well as deal with the products and services in the organisation. Internal branding is important to ensure employee buy-in to strategy and alignment with external branding efforts.

Mahnert and Torres (2007) point out that internal branding seeks to achieve consistency with the external brand and encourage brand commitment and the possibility of brand championship among employees. According to Mahnert and Torres (2007), it is the concerted, inter-departmental and multi-directional internal communications effort carried out in order to create and maintain an internal brand. Thus, internal branding can be identified as a specific tool and placed in the wider context of internal marketing.

Further, Mahnert and Torres write that internal branding refers to the activities implore by a company to ensure intellectual and emotional staff buy-in (Thomson et al., 1999) into not only the corporate culture, but also the specific brand personality invoked within this culture.

As brands can be described in terms of personality, character, attitudes, motivations and even emotions, they acquire meaning not only for the external customer, but also for employees who deal with the brand on a daily basis and thus represent it to the public in general and customers in particular. Three core elements of internal branding according to Mahnert and Torres, (2007) include:

The first is the reflection of brand values to consumers by committed employees.

The second element is the realization of the brand promise communicated to the internal and external market. This element of realization includes internal consistency of the brand image to ensure intellectual and emotional employee buy-in (Thomson et al., 1999).

The third element is the importance of multi-direction, that is, internal branding needs to be applied at all organisational levels in order to align management and staff behaviour and values.

2.2-5 Difference between Corporate and Product/Service Brands

Hatch and Schultz (2003) point out that the main difference between product branding and corporate branding is that focus is shifted from the product to the corporation. They further state that the broader scope of corporate branding pushes brand thinking considerably beyond the product and its relationship with the consumer or customer.

Other differences identified by Hatch and Schultz (2003) include:

- The product brand is managed by the middle manager, whereas the corporate brand is managed by the CEO;

- The product brand attracts attention from the customers, whereas the corporate brand attracts attention from stakeholders
- The product brand is delivered by the marketing function of the firm, whereas the corporate brand is delivered by the whole company;
- The product brand has a shorter life cycle, whereas the corporate brand has a longer life cycle;
- Product brands are more functional, whereas corporate brands have a strategic importance to the company.

Xu Xie and Boggs (2006) argue that firms that are successful in building a corporate brand are also more competitive than firms relying solely in product branding. They go further to argue that a corporate brand differs from a product brand in its strategic focus and implementation, which includes corporate strategy, corporate communication and corporate culture. Xu Xie and Boogs (2006) state “generally corporate branding has much more strategic focus that product branding”.

J.M.T. Balmer in (Balmer and Greyser 2003) states that corporate brands differ from product brands in terms of management, responsibilities, disciplinary roots, focus, values, and supporting communications. According the Balmer and Greyser (2003), the virtues of strong, and favourable, global corporate brands are considerable: they differentiate organisations from their competitors; lead to fostering of loyalty from a wide range of stakeholder groups and networks and accord leverage to an organisation – particularly those operating in traditional or in mature consumer markets – as well as providing an aureole to new technology companies.

	Product brands	**Corporate brands**
Management	Middle managers	CEO
Responsibility	Middle managers	All personnel
Cognate discipline(s)	Marketing	Strategy/multidisciplinary
Communications mix	Marketing communications	Total corporate communications
Focus	Mainly customers	Multiple internal and external stakeholder groups and networks
Values	Mainly contrived	Those of founder(s) + mix of corporate + other sub-cultures

Table 2.1: *A comparison between corporate and product brands*
Source: “Revealing the corporation” 2003 by J.M.T. Balmer and S.A. Greyser (P303)

2.2-6 Corporate Brand and Corporate Identity

According to Balmer in Balmer and Greyser (2003), there is clearly an overlap between an organisation’s identity and its corporate brand. He states that the thin line between the two concepts can be seen in their definitions. Balmer and Greyser (2003) made difference by defining an organisation's identity as a summation of those tangible and intangible elements, which make any corporate entity distinct. While the corporate branding involves, in most instances, the conscious decision by senior management to distil, and make known, the attributes of the organisation's identity in the form of a clearly defined branding proposition (communicate, differentiate and enhance).

2.2-7 Corporate Brand Personality

As markets continue to mature and competition within industries grows fiercer, companies will not succeed purely on the basis of what products or services they offer. Although these core functions of the business are unquestionably still crucial, other aspects such as company culture and corporate citizenship have increased in relative importance in determining a company ' s ability to compete. As a result, the success of a 21st century business will be defined as much by *who* it is and *what* it does. (Keller and Richey 2006)

What a company is and how it presents itself to the consumer are defined by its corporate brand personality. According to Keller and Richey (2006), *Corporate brand personality* is a form of brand personality specific to a corporate brand. Brand personality is understood as the human characteristics or traits that can be attributed to a brand.

Fundamental questions that lead to a greater understanding of the concept of brand personality are: If the brand were a person, what would it be like? What would it do? Where would it live? What would it wear? Who would it talk to if it went to a party (and what would it talk about)? Answers to these questions would provide a clear understand of the corporate brand.

Keller and Richey (2006) point out that although the concept of brand personality is relevant to both product brands and corporate brands, there is an important distinction that can be drawn between the two types of brands that affects how the brand personality concept should be applied. They state that a corporate brand is distinct from a product brand in that a corporate brand can encompass a much wider range of associations. Consequently, corporate brands will typically have a set of personality traits that is broader and differently composed than the set of personality traits for each product brand owned. They continue with the distinction, by arguing that, by its nature, a product brand is defined by what it does and represents, whereas a corporate brand is defined as much by *who* the corporation is as *what* it does.

According to Brexendorf and Kernstock (Sep2007), the concept of the corporate brand embodies the communication of values, internal and external, through corporate as well as marketing communication and requires a multidisciplinary approach. The corporate brand must help shape the vision, values and culture of the organisation as well as generate value for external stakeholders such as customers. Thus, the point of view changes from a product to a holistic corporate view. Brexendorf and Kernstock also state that branding at the corporate level needs to take the whole variety of products and services into account; And that the corporate brand is the umbrella of the product and service brands at the organisational level.

Externally, Keller and Richey (2006) assert that corporate brands can establish a number of valuable associations in the minds of customers and other key constituents that can help to differentiate the corporation, such as common product attributes, benefits or attitudes; people and relationships; programmes and values; and corporate credibility. They also note that a key component of the corporate image is the corporate brand personality.

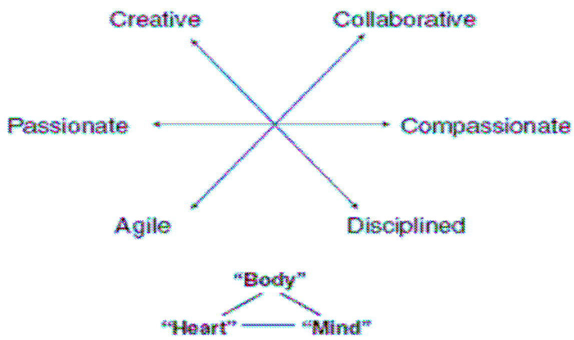


Figure 2.1 *Corporate personality traits Source: (Keller and Richey 2006)*

2.2-8 Factors Determining Choice of Corporate Branding Strategy

Standing out amid a massive chorus of competitors is a challenge for any company in today's business environment. A strong brand strategy can increase the awareness of a company and its offerings in such a way that establishes strong feelings and reactions and a favourable view towards the company as a whole. To create this sort of "brand awareness" in the market takes skilful branding strategy and know-how.

(Business Identity Guru 21/04/08) state that successfully out-branding your competitors is a continuous battle for the hearts and minds of your customers. Further, they state that the proposition your brand strategy makes must be very compelling, attractive and unique among competitive offerings; and the proposition must also be consistently reinforced throughout all phases of an organisation, from senior executives to customer service, research and development, business development and even your business partner; and building on the inherent values of a brand should be the core of any branding strategy.

Aaker and McLoughlin (2007) suggest that there are very different routes to developing winning strategies and sustainable competitive advantage - strategic vision and strategic opportunism. According to Aaker and McLoughlin, a strategic vision approach has four characteristics, namely:

- A clear future strategy with a core driving idea and a specification of the competitive arena
- Buy-in throughout the organisation
- Assets, competencies, and resources to implement the strategy should be in place
- Patience (willingness to stick to the strategy) while

Aaker and McLoughlin (2007) argue that strategic opportunism is driven by a focus on the present and that the premise is that the environment is so dynamic and uncertain that it is not feasible to aim at a future target. In my opinion, what is important in getting any strategy right is consistency. Consistency in aligning organisational values with the strategic options chosen and also ensuring buy-in from within the organisation. According to Aaker and McLoughlin (2007), there is uncountable number of strategic positioning and combination of options organisations can choose; but there are some strategic options that are more common among organisations. For instance, is the brand about honesty or integrity? Quality? Value? Aaker and Mcloughlin (2007) suggest that strategic positioning enables the selection of the corporate brand proposition also called the brand promise. Whatever the brand promise is, it must be clear, engaging and presented in a context relevant to the customer. An example of an effective brand promise is PHILIPS “Sense and simplicity”

Aaker, and McLoughlin (200 - P225) define a strategic position as the face of the business strategy that specifies how the business aspires to be perceived (by customers, employees, and partners) relative to competitors and market.

e.g. - *Value for money option* – Virgin Atlantic (extraordinary service quality)
- *Value option* – Ryanair, Aldi, (position as value players)
- *Innovator* – Apple, Nokia (present themselves as innovators)
- *Product focus* – Rolex, Land Rover (Specialised)

As the business environment is changing, organisations with strategies that no longer fit are re-branding. Such re-branding processing takes a long time and trends such experiential marketing and ‘Concpeting’ are shaping re-branding processes.

Bernd H. Schmit (1999) argues that today, customers take functional features and benefits, product quality and a positive brand image as a given. He points out that what customers want is products, communications and marketing campaigns that dazzle their senses, touch their hearts, and stimulates their minds. “*They want products, communication campaigns that they can relate to and that they can incorporate into their lifestyles”*.

Another approach in re-branding as mentioned earlier is ‘concepting’. See appendix 2 for Jan Rijkenberg’s concepting approach to branding.

2.3 Corporate Communications

Communication has been an important, if not the most important driver of the management functions and it will continue to be. With corporate marketing there is no difference. Corporate communications enables the realisation and implementation of the other elements of the CM mix. All organisational strategies, attributes, values and positioning, will make no sense if not communicated to audiences and stakeholders. Communication brings the message both internally and externally. Through bringing the message, communication helps to form an image in the short-term leading to a reputation in the long-term. What I see is that communication is the common denominator of the elements of the corporate marketing mix (CM mix).

Balmer and Greyser (2003-p21) as well as Van Riel (1995) state that corporate communication encompasses marketing communication, organisational communication and management communication. Further they state that corporate communication maybe seen as a framework in which various communication specialists – working from a mutually established strategic framework – can integrate their own communication input. The basic philosophy underlying this framework can be described as directing the company’s communications policies from within the ‘corporate strategy – corporate identity – corporate image’ triangle.

2.3-1 Definitions

“Corporate communication is the integrated approach to all communication produced by an organisation, directed at all relevant target groups. Each item of communication must convey and emphasise the corporate identity” (Blauw, 1994 In Van Riel 1995; p25)

“Corporate communication is the total communication activity generated by a company to achieve its planned objectives” (Jackson, 1987 in Van Riel 1995; p25)

“By corporate communication we mean the corporation’s voice and the images it projects of itself on a world stage populated by its various audiences, or what we refer to as its constituencies. Included in this field are areas such as corporate reputation, corporate advertising and advocacy, employee communications, investors’ relations, government relations, media management and crisis communications. In addition corporate communications is also the process a company uses to communicate all its messages to key constituencies – a combinations of speeches, meetings, interviews, reports, image advertising and online communications”. (Paul Argentia & Janis Forman 2002)

‘Corporate communication is an instrument of management by means of which all consciously used forms of internal and external communication are harmonised as effectively as possible, so as to create a favourable basis for relationships with groups upon which the company is dependent’. (Van Riel 1995. p26)

2.3-2 Forms of Corporate Communications (Corporate Communication Mix)

Van Riel (1995) proposed that corporate communications entails the orchestration of three forms of communication comprising management communication, marketing communication, and organisational communication.

Management Communication	Organisational members	Focus on command, control awareness and motivation
Marketing Communication	End-users and those involved in purchase decision	Create awareness of and interest in products/services
Organisational communication	Multiple constituencies	Stakeholder communication and corporate level PR, Ads

Table 2.2 Constructs of corporate communication (source: CBM Van Riel 1995)

Balmer and Grayser (2003) have offered an alternative view to the corporate communication mix. They title it “the total corporate communication mix”. The tripartite mix encompasses: (p145)

Primary Communication	The communications effects of products/services, management, staff, and corporate behaviour
Secondary Communications	Communications effects of the controlled forms of communications – embraces Van Riel’s marketing Communication
Tertiary Communications	The communication activity relating to the corporation that exist among third parties.

Table 2.3 Elements of corporate communication mix (source: Balmer and Greyser 2003)

2.3-3 Importance of communication to corporate marketing

Two concepts central to communication are Identity and image. Communication expresses the identity - *who* the organisation is, and what the organisation stands for - thereby helping to form an image of the organisation in the audiences. As a result of this important role, corporate communication is paramount in the corporate marketing mix.

According to Griesel, Dian. Equities (2008), a well-planned corporate communications program provides reliable third party endorsement, helps craft your company message, and ensures consistency of messaging - Not only do these angles keep your company in the news, editors and segment producers cannot easily ignore a media-worthy pitch. Balmer and Greyser (2003) state that corporate communication is primarily ‘corporate’.

Argentia & Forman (2002) state that you need to pay attention to corporate communications because missed opportunities and potentially serious threats to your business are the rather costly alternatives. Further they point out that a variety of constituencies, including investors; employees; customers; competitors; current and potential partners; special-interest groups, governments; local, national, international communities; and of course (who could forget), the media; are hounding today's businesses. Therefore the communication is important and must be right.

According the Argentia & Forman (2002) corporate communication is important both at macro and at micro levels of a corporation.

<u>At a Macro level</u>

- Corporate communications can be one of the major ways to counteract persistent scrutiny and negative attention that businesses face.
- A good strategy can offset the technological advances that enhance the scope of the publicity barrage.
- Corporate communications can serve as a differential advantage for the company.

<u>At a micro level</u>

- Corporate communications has a direct impact on your work no matter where you are located in the organisational chart. Every manager needs to understand corporate communications not just those in charge of public relations or communications.
- Think for a moment about the ways that corporate communications may affect your work life. Most obviously as an employee, your company's internal communication influences your attitude towards the work place: Do you work in an atmosphere of trust or anxiety? Are you confident that the messages you hear about your organisation are timely and honest? Are there forums for voicing your concerns and offering your perspective?

"If left un-addressed, issues of corporate communications can come back to haunt a company; when addressed, they can extend its success". *(Argentia & Forman 2002)*

2.3-4 pitfalls of corporate communications

Communication at corporate level, in theory sounds easy, but it can be a very difficult task to put to practice. There can be many drawbacks in corporate communications. In most situations with corporations that have local organisations in multiple countries, socio-cultural differences between countries can pose serious problem to corporate communications. According to Balmer and Greyser (2003), a particular problem for corporate level communication is the question of targeting. Aberg, in *Balmer and Greyser,* (*2003*-p142) a Finish writer, argues that there need to be integration of all the communications activities within the organisation. He further proposed four reasons why such integration was efficacious: it was crucial to the process of control, persuasion, integration and informing. It is an important means by which an organisation's mission and strategy could be achieved

Other potential factors that could pose difficulties to effective corporate communication include but not limited:

- Varying regulatory Frameworks
- Different media landscapes
- Language
- Different time zones
- Different business customs
- A complex range of stakeholder audiences
- Local leader personalities
- Skeletons in the local cupboard (past events and issues that are known e.g. loss of a major local client or Financial irregularities)

2.4 Corporate Image and Reputation

2.4-1 Corporate image

What people (audiences) think is what they see, hear, and read. Therefore, image is the perception of the corporation by the public. Pierre Martineau, In Balmer and Greyser, (2003) suggests that, creating and selling a corporate image is far more than a task for a public relation staff. He further states that every activity of an organisation adds some meaning to the public's picture of the management that is running the organisation. He concludes that many corollary meanings emerging from the corporate image can play a role in the actual purchase decision at the moment of sale.

Van Riel (1995) cites the following definitions of *image* by various authors:

An image is the set of meanings by which an object is known and through which people describe, remember and relate to it. That is the net result of the interaction of a person's belief, ideas, feelings and impressions about an object. (Dowling, 1986) *It has become generally accepted that image is 'the picture of an organisation as perceived by target groups', while identity is associated with 'the way in which a company presents itself to its target groups'. (Van Riel, 1995)* *Image is a combination of product aspects that are distinct from the physical product characteristics but are nevertheless identified with the product. Examples are brand name, symbols used in advertising, endorsement by a well-known figure, and country of origin. (Erickson, Johannsen and Chao, 1984)* *Image is the profile of the object, meaning the sum of impressions and expectations as*

gathered in the memory of an individual. (Topalian, 1984)

Image refers to a holistic and vivid impression held by a particular group towards a corporation, partly as a result of information processing (sense-making) carried out by the group's members and partly by the aggregated communication of the corporation in questions concerning its nature, i.e. the fabricated and projected picture of itself. (Alvesson, 1990)

As mentioned in Wiki (21/04/08), a corporate image refers to how a corporation is perceived. It is a generally accepted image of what a company "stands for". A corporation's image is not solely created by the company: Other contributors to a company's image could include news media, journalists, labour unions, environmental organisations, and other NGOs. Van Riel (1995 p77) suggest that image is extremely important both to the source of the image (the image object) and to the receiver (the subject). He goes further to stress that the source (the organisation) considers that the transmission of a positive image is an essential precondition for establishing a commercial relationship with target groups.
Balmer and Greyser (2003) state that, in general images are categorised according to one of four perspectives**.**

- The focus on the corporation as transmitter of images
- Image from the receiver end of the equation
- Focus on images (industry image or country of origin image)
- Concern with construed images (beliefs about beliefs)

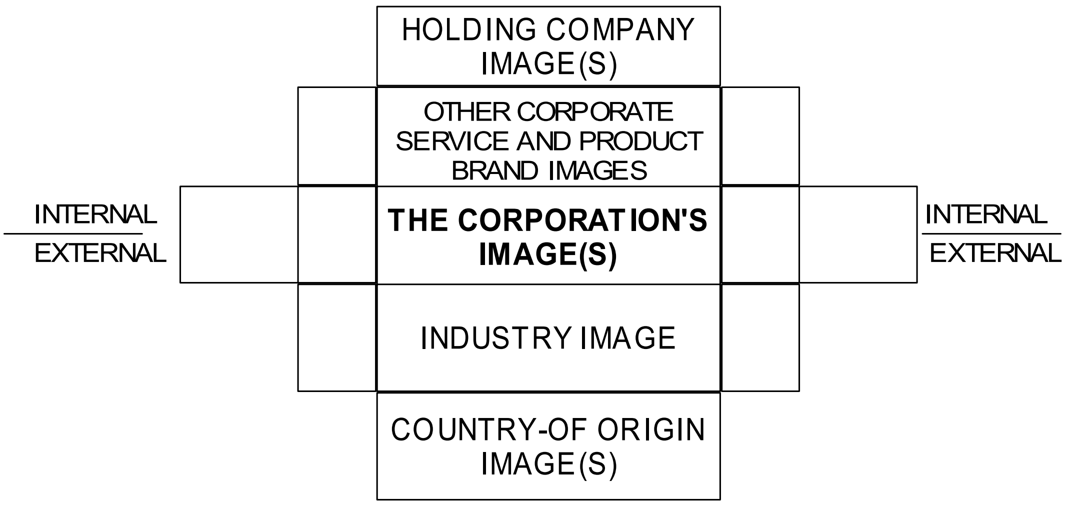


Figure 2.2: The *Family of business-related images (Balmer and Greyser 2003- P176)*

<u>Corporate image: problems</u>

According to Balmer and Greyser (2003), notwithstanding its utility, there are a number of difficulties associated with the image concept. They further state that these difficulties explain the eclipse of the image concept by other concepts such as corporate reputation. Balmer and Greyser (2003) identify five problems with corporate image, including:

- its multiple meaning;
- its negative associations;
- its difficulty or impossibility to control;
- its multiplicity and
- the different image effects on different stakeholder groups.

2.4-2 Corporate Reputation

Many publications publish corporate reputation ratings, such as the Fortune magazine and the Financial Times. These publications contribute to the increased interest in the concept of reputation than image.

Aaker and McLoughlin (2007 *P240-241)* state that, as a human being, a business with a personality tends to be more memorable and better liked than one that is bland, nothing more than the sum of its attributes. They further state that as people, brands can have a variety of personalities, such as being professional and competent (Volvo and the Financial times), upscale and sophisticated (jaguar and Laurant Blanc), trustworthy and genuine (BBC and Marks &Spencer), active and tough (Adidas and Victronox).

According to research conducted by the Opinion Research Corporation International and cited by Stephen Greyser in *"Revealing the Corporation"* (2003p238), in the UK 57%(strongly agree) and 92%(strongly and somewhat agree) that "when several companies' products and services are similar in quality and price, the companies' respective corporate reputations often determine which product or service the customer will buy". (The US data are 63% and 97%). This trend was similar in many countries.

2.4-3 Definitions

According to the 'American Heritage Dictionary' (1970:600) 'reputation' is the general estimation in which one is held by 'the public' of a company, and what is being 'estimated' by that company? *C.H. Fombrum and C.B.M. van Riel In Balmer and Greyser, 2003*(P225)

Gary Davies with Rosa Chun, Rui Vinhas da Silva and Stuart Roper (2003) define reputation as seen from various sectors and backgrounds: They content that:

To economists, reputations are traits that signal a company's likely behaviours to rivals.

To strategists, a company's reputation is a barrier to the mobility of rivals in an industry.

To accountants, reputations are an intangible asset, a form of goodwill whose value fluctuates in the marketplace and is tied to the company's market value.

To marketers, reputations are perceptual assets with the power to attract repeat customers.

To students of organization, reputations are an outgrowth of a company's identity, a crystallization of beliefs held by stakeholders about what the company is, what the company does, and how it does it.

Fombrum and Rindova, (1996) in Balmer and Greyser, (2003-p230) define corporate reputation as a collective presentation of a firm's past actions and results that describes the firm's ability to deliver valued outcomes to multiple stakeholders; And that It gauges a firm's relative standing both internally with employees and externally with its stakeholders, in both its competitive and institutional environments.

Schultz, Hatch, and Larsen (2000) argue that recently the definition of reputation has changed from an output measure of organisational performance to a strategic construct, which includes deliberate attempts to manage and monitor relations between organisations and their multiple stakeholders.

"Reputation involves the assessments that multiple stakeholders make about the company's ability to fulfil their expectations". (Fombrun and Van Riel 2003)

From the definitions above, we see that reputation is built over a long time and that it is influenced by the identity and image of the organisation concern. We remember that image is the public's perception of the organisation, which consequently helps to form the reputation.

According to Fombrun and Van Riel (2003), we recognise people and companies because of the reputational halos that surround them – halos of past actions that have created more or less "reputational capital" around their names. They further state that reputation, as a source of distinctiveness in a highly competitive environment is not only the concern of commercial organisations. Gary Davies with Rosa Chun, Rui Vinhas da Silva and Stuart Roper (2003) argue that the reputation perspective or paradigm is likely to be useful to the majority of organisations, not just to commercial organisations but also to government departments, to not-for-profit organisations such as charities, to schools, to political parties, in fact to any organisation which needs to maintain a positive image with its main stakeholders.

Within the literature, many writers conclude that a corporate reputation has two distinctive characteristics, namely that they are:

- Formed over time;
- Based on what the organisation has done and how it has behaved.

Balmer and Greyser (2003-P177) suggest that these two characteristics distinguish the corporate reputation construct from that of corporate image.

2.4-4 The Importance of Reputation to Corporate Marketing

Reputation as strategy means that concerns for corporate reputation drives organisational and managerial processes both within corporations and between corporations and their stakeholders.

"A favourable (positive) reputation brings distinctiveness and strategic advantages to a corporation that are not easily duplicated. Moreover, a (positive) reputation can materially contribute to profits and as a bulwark when an organisation is confronted to counter with adverse stakeholder reaction". (*Balmer and Greyser, 2003* p177)

According to Fombrun and Van Riel (2003), reputation is important to a corporation because a positive or favourable corporate reputation would provide the following advantages to the organisation or corporation:

- Reputation affects the judgement of media journalists and financial analysts.
- Reputation creates differentiation and competitive advantage.
- Ultimately a good reputation matters because it is a key source of distinctiveness that produces support for the company and differentiates it from rivals.
- Differentiation based on reputation has become more important to companies because of various environmental trends – globalisation, information availability, product commoditisation, and media mania.
- Companies with strong reputations are better able to attract customers, investors, and quality employees – and to survive crises that would destroy weaker firms.
- A good reputation acts like a magnet: it attracts us to those who have it. A good reputation is an excellent call-card. It opens doors, attracts followers, brings in customers, and investors, it commands our respect.

Other authors have also stressed the importance of a positive or favourable reputation to an organisation. Gary Davies with Rosa Chun, Rui Vinhas da Silva and Stuart Roper state that companies achieve competitiveness from being better regarded than their peers - from *reputation*. In this view, they suggest that managers build strategic advantage by generating favourable perceptions about the company in the minds of key stakeholders; And that these favourable perceptions become visible in the attractiveness of the company's products, services, trademarks, and brands, and constitute a company's *reputational capital*.

Schultz, Hatch, and Larsen (2000) state, *"one of the most critical accomplishment of organisations in the transparent marketplace is establishing reputation".* They argue that in a world of increasing transparency where business in now front-page news and the consumer is increasingly sophisticated and spoiled of choice, reputation makes or breaks an organisation.

Having a strong corporate brand name or product brands does not necessarily imply a favourable or positive reputation. Fombrum and Van Riel (2003) argue that, it is often true that a good reputation sits on the bedrock of a strong product or corporate brand. However, they argue that brand and reputation are not synonymous. Fombrum and Van Riel (2003) point out that a brand describes the set of associations that customers have with the company's products, while reputation, involves the assessments that multiple stakeholders make about the company's ability to fulfil their expectations. They further argue that a company may have strong product brands or even a strong corporate brand – its brands have a high awareness and appeal – but can still have a weak or poor reputation; e.g. a company like Nike, consistently rates poorly on public reputation surveys because of the perception by many consumers that the company chooses low-labour countries in which to produce but does too little to prevent child-labour in its subcontractor's factories. A weak brand in contrast can still have a strong reputation.

Some benefits of a Positive or favourable reputation

S.A.Greyser In Balmer and Greyser (2003 p237) suggest three major strategic benefits of a good corporate reputation, which include:

- Preference in doing business with a company when several companies' products or services are similar in quality and price;
- Support for a company in times of controversy;
- A company's value in the financial marketplace.

2.5 Corporate Social Responsibility (CSR)

Corporate Social Responsibility (CSR) is a concept related to the voluntary integration of social and environmental matters in business administration. This new human values area is associated with solidarity, quality of life, consideration of the environment, etc. Corporations begin to take into consideration that growing consumers groups demand not only quality in products and services but also demand certainty that the productive process is organised following some ethical standards.

I like to mention that the CSR concept has attracted a lot of controversy both from proponents and from critics. Depending from which lens you look at the concept, it would mean something different. The kind of business the organisation or corporation is involved in, the communities it deals with, and the geographical region influences the organisation's approach to CSR. Jerry Anderson Jr. (1989), suggests three broader categories or headings of social responsiveness; these three categories are *legal, moral ethical,* and *philanthropic*. Furthermore, he states that many businesses today feel that in order to respond effectively and efficiently to the major social issues and demands of the day, corporate social policy must be integrated into corporate strategy. As such, he points out that corporate executives will have to include social policy guidelines into the strategic plans from which the functional policies and operational plans will be derived and the burden of implementing and achieving the social goals will lie on the shoulders of middle and lower management. Jerry Anderson Jr. (1989) further state that as a result of this approach, "several corporations have been extremely effective in translating the concept of responsibility into practice - and increasing profits at the same time. According to Jerry Anderson Jr. (1989), this is definitely the basic approach that some of the larger more efficient and profitable businesses are taking today. Peter Drucker in Jerry Anderson Jr. (1989) refers to the concept by saying: " *'To do good in order to do well,'* that is to convert social needs and problems into profitable business opportunities.

According the Jerry Anderson Jr. (1989), this concept of *"doing good by doing well,"* or progressing from *"doing good to doing better,"* in the area of social responsibility simply means that social responsibility is and should be handled as a corporate investment that will result in a long-run corporate profit and not a corporate expense.

2.5-1 Relevance of CSR to Corporate Marketing

Selling an organisation or corporation as an entity involves its actions and philosophies. CSR strategies entail both operational (actions) and conceptual (philosophy) elements. Corporations and organisations exist because the society exists. Therefore CSR is one form of selling an organisation to the society it deals with. It is therefore relevant and important for organisations and corporations to get involved in CSR. Jonker, and Marberg, (2007) states that the dialogue surrounding corporate social responsibility (CSR) and the role that corporations ought to play in society persists as the world focuses more and more on its dwindling natural resources, changing climate, poverty, lack of social cohesion, corporate scandals and other compelling issues that connect organisations to their constituencies and the environment.

In this light, I think it is important for an organisation to get involved in CSR programmes, because it is a prevailing trend that would consequently influence the perception of the organisation by its public.

As mentioned earlier, in general, CSR can be seen from two perspectives, the action-oriented perspective and the philosophical perspective, which is more communication base. Smith, Craig & Ward, Halina (2007) argue that CSR needs to be understood and practiced at two levels, one operational and one conceptual. They continue by saying that, at the conceptual level, CSR will remain useful because it provides space for a higher-level activity in which the boundaries of business obligations to society can be examined, argued and refined - At the operational level, CSR is increasingly breaking up into a distinct series of sub-agendas: for example, business and human rights, business and corruption, business and tax avoidance. At implementation level, CSR needs to be localised so that it becomes more manageable, more tangible, more embedded within the organisation, and better shaped by the interests of stakeholders closest to a company's operations on the ground, wherever they may be.

Jerry Anderson Jr. (1989) states that though many authors have different views of the issue of CSR, they all agree on this two fundamental points: "(1) Industrial society faces serious human and social problems brought on largely by the rise of the large corporation, and (2) managers must conduct the affairs of the corporation in ways to solve or at least ameliorate these problems." Base on Anderson' s statement, social responsiveness is important and relevant to organisations. Anderson further state that today, to a greater extent than ever before, most people support companies becoming involved in social responsibility. Below are major and popular arguments for businesses supporting social responsibility activities, presented by Jerry Anderson Jr. (1989)

- It is in the best long-run interest of the business to become intimately involved in and to promote and improve the communities in which it does its business.
- It can and should improve the corporate and local image of the company.
- It is in the stockholders best interest. By making communities a better place to live, it can entice superior and happier workers to the company who in turn will put out better products and increase profits.

2.6 Internationalisation

Internationalisation is neither an element of the CM mix, nor is it a subject of this thesis. As such the nuance of the internationalisation concept in this literature review does not dig deeper into the concept. However, it is worth mentioning it because the research question is concern with corporate marketing strategies in the international markets. Globalisation, deregulation, stiff competition and other factors have made internationalisation imperative to organisations. Firms adopt various strategies and methods to go international and they do so for various reasons.

The term internationalisation tends to be roughly used to describe the outward movement in an individual firm's or larger grouping's international operations (Piercy, 1981; Johanson and Weidersheim-Paul, 1975). Welch and

Loustarinen (1988) define internationalisation as "the process of increasing involvement in international operations”. Traditional theory perceives internationalisation to be a demanding, lengthy, step-by-step process.

Entry Modes

Companies would appear to have a broad selection of market entry modes at their disposal, including exporting, licensing, in-store concessions, franchising, joint ventures, and partly or wholly owned direct investments (McGoldrick and Davies 1995).

Text books on market entry mode choice have generally characterised the entry mode decision-making process as having multiple steps in which managers identify a series of possible modes, collect information, evaluate the costs and benefits of each alternative (e.g. Rosenbloom 1991). Based on this information, we can see that the internationalisation process is situation specific and is not an incremental process. For the purpose of this thesis, we make a difference between market seeking –client following and resource-seeking strategies (natural resources, low cost labour, specialists for R&D, etc). Current research shows that:

- Market-seeking companies use wholly owned strategies – mostly Acquisition;
- Resource-seeking companies use Joint ventures, Mergers, and Alliances.

At this level, we have seen what the literatures say about the elements of the corporate marketing mix. We have also seen the various contributions made by each element of the mix to the big picture of a corporation or organisation. Corporate identity, expresses *who* the organisation is and *what* it stands for. Identity also helps to create a desired image for the organisation among the stakeholders. The organisation in principle does not have much influence in the subjective concept of corporate image, since it is a perception of the audience. However, the corporation can try to influence the image by effectively communicating the desired identity. We have seen that corporate communications is the driving force of all the elements in the CM mix. Corporate branding is the '*covenant*' the corporation makes with it targets audiences or stakeholders and the public in general. Corporate branding is important in establishing "*mind-space*" in the increasingly sophisticated stakeholders that are spoiled in choice. A positive Identity, effectively communicated, with a strong corporate brand promise '*covenant*' that is readily delivered, jointly build a positive image and positive reputation over the long-term. A positive reputation acts as a magnet and a call-card for the corporation. CSR then cements and consolidates the elements of the corporate marketing mix because it embodies the actions and philosophy of the corporation.

Against the backdrop of this knowledge, let us find out how organisations practice corporate marketing or put in another way, how organisations sell themselves as entities. We will do this through practical case studies. The two organisations used for this exercise are two Belgian companies that are growing quite rapidly over the last few years. They are both services industry organisations and to be more precise, they are both involved in the banking and insurance sectors. They operate in Belgium and in the international markets. The organisations are The Dexia and KBC Groups.

Before we get into the case studies for this thesis, it is important that a summarised conceptual framework for analysing (or auditing) the function of corporate marketing be developed. The literature reviewed so far does not provide any comprehensive framework for such analysis. Therefore, understanding that there is a need for such a framework I design and propose a conceptual framework based on the literature reviewed on corporate/organisational marketing and the elements of the CM mix. Various scholars and authors have prescribe what they think is desired at corporate-level for every element of the corporate marketing mix. We remember that these marketing mix elements have existed in their ‘halos’ long before the concept of corporate marketing emerged. Therefore, my conceptual framework aims to harmonise and consolidate these elements under the umbrella of the top-management function (corporate marketing) that would oversee corporate-wide consolidation of CM mix elements to ensure consistency, efficiency, and effectiveness of all aspects leading to effectively marketing or selling the corporation..

In the framework, the following codes will apply:

+ (Positive) for an element strategy and application, which is corporation-wide;

– (Negative) for and element strategy and application which is not corporation- wide but only at local organisational levels; and

O (zero) for element that is not a part of the strategy.

Framework for corporate marketing analysis – Multi-dimensional relationships

MARKETING MIX ELEMENTS	CONSTRUCTS	STRATEGY ALIGNMENT			
		Organisations-level Strategy		Corporate-level Strategy	
		Org1	Org2	Org1	Org2
Corporate Identity	Who are we?				
	What do we stand for?				
	Visual Identity				
Organisational Identity	Behaviour				
	Who we feel we are?				
Corporate Branding	*What does it demonstrate?*				
	- Innovativeness				
	- Environmental concern				
	- Community Involvement				
	- Others				
	Branding Strategy in use				
	- Monolithic				
	- Endorsement				
	- Branded				
Corporate Communications	Management Communication				
	Marketing Communication				
	Organisational Communication				
Corporate Reputation	- Long-term Strategy				
	- Shot-term strategy				
Corporate Image	- Internal Image Building				
	- External Image Building				
Corporate Social Responsibility	- Environmental concern				
	- Community Involvement				
	- Stakeholders				

Key: Org1 = organisation 1 and Org2= organisation 2, etc

Table 2.4: *A conceptual framework for analysing corporate marketing (by the writer)*

Chapter 3 Research Methodology

This chapter sets out to outline and discuss the methodology used for this research. The purpose is to present an overview of the research and to explain how secondary data can be compared with primary data and also how both data can be compared with each other particularly for this research. The outline of this chapter includes: the purpose of research, the approach, strategy used, selection of cases for the study, method of data collection used, and the data analysis technique to be used,

3.1 Purpose of research

As mentioned earlier, the purpose of this research is to *explore* the nascent concept of corporate and/or organisational marketing, and to *describe* and *explain* the application of the concept in practice. That is, the strategies companies use.

Exploratory

Hussey Jill and Roger Hussey (1997) state that in exploratory research, the focus is on gaining insights and familiarity with the subject area for more rigorous investigation at a later stage. Furthermore, they point out that typical techniques used in exploratory research include case studies, observation and historical analysis, which can provide both quantitative and qualitative data. In this research, we use the case study technique to explore the subject.

Descriptive and Explanatory

Largely concerned with *what, when, where,* and *who* questions, whereas explanatory research goes beyond this and is concerned with *why* and *how* questions. Descriptive research is thus essentially informational in character and it main purpose is to establish a factual picture of the object of study. Explanatory research is directed toward exploring the relationship between concepts and phenomena and explaining the casualty and/or interdependency between these. (Riley, Wood, Clark, Wilkie and Szivas 2000)

Based on the differentiations made above, this research may be classified as exploratory and explanatory, since the purpose is to understand and describe the corporate marketing strategies of ‘growing’ Companies in the international markets. This research would help shed light on the nascent concept of corporate marketing in the international market. It may also be seen as descriptive, since it goes deep into describing the various elements of the corporate marketing mix.

3.2 Research Approach: Primary and Secondary Research

Primary research generally refers to that research which involves the collection of original data using an accepted research methodology. Secondary research normally denotes an activity whereby no new original data is collected but where the research project draws on existing (secondary) sources alone (Riley, Wood, Clark, Wilkie and Szivas 2000, P8).

Base on this description, both primary and secondary research, applying the qualitative technique suits the purpose of this research and that is what we will use. According to Van Maanen, 1983 In Hussey and Hussey (1997), qualitative research technique is described as an array of interpretative techniques which seek to describe, decode, translate and otherwise come to terms with the meaning, not the frequency, of a certain more or less naturally occurring phenomena in the social world.

3.3 Research Strategy: Case Study

Hussey Jill & Roger (1997) define a case study in research as an extensive examination of a single instance of a phenomenon of interest and is an example of a phenomenological (interpretivist) methodology. Jankowicz (2000), contend that the case study method is used when the thesis focuses on a set of issues in a single organisation, and you want to identify the factors involved in an in-depth study of the organisation. Furthermore s/he states that if you have identified a number of variables whose importance to the present organisation you wish to explore, it is possible to carry out a comparative case study, in which you ask the same questions.

The research for this thesis conforms exactly what Jankowicz mentioned. The strategy is first to understand the concept of corporate marketing, and then use two case studies to compare the practical application of the concept. Bennett –1986 In Jankowicz (2000) suggest that case study method will involve you in a least four stages of work as follows:

- Determine the present situation;
- Gathering information about the background to the present situation;
- Gathering more specific data to test alternative hypotheses about the important factors in the present situation;
- Presenting recommendations for action; and, where time is available, evaluating outcomes.

Yin (1994) as well as Hartley (1994), all in Jankowicz (2000) they emphasis the need in a case study method to be clear about the unit of analysis (the level at which you are conducting the case study) and that the approach should be based on theoretical stance.

This research is focused on an in-depth understanding of a situation and the main research questions have the *'how'* character, therefore a case study is suitable. In a comparative situation as is the case with this research, multiple case studies are carried out and a single unit analysis is done.

3.4 Sample selection and Data collection

3.4-1 Sample selection: Subjective and Convenience

Sampling can be defined as the deliberate choice of a number of people (organisations), the sample, that are to provide you with data from which you will draw conclusions (Jankowicz 2000, P192)

In order to collect data for this research, the question of what is the best data source from which to sample and which organisations, institutions or entities to choose, was paramount. The main interest was first to select Belgian 'growing' companies. My interest in the subject of corporate marketing leads me to the conclusion that an organisation in the services sector would be more interesting to investigate. The services sector because competition in that sector is intense and physical differentiation seems difficult. As such, corporate marketing (elements of the corporate marketing mix) play a vital role in gaining market share as well as 'mind space' in the customers.

My choice of the DEXIA and KBC Groups is subjective and as a matter of fact, these two were chosen from the lot of many, for convenience reasons. They are both relatively 'young' corporation, but with histories of mergers and acquisitions of local organisations that had a long history in the Belgian market, and in some cases Europe. Both groups are fierce competitors in the markets. I saw it interesting to explore how the two 'rivals' are applying corporate marketing both in Belgium and in their expanding international markets.

3.5 *Data Collection Method: Interviews*

According to Hussey Jill & Roger (1997) and Jankowicz(2000), Interviews are a method o f collecting data in which selected participants are asked questions in order to find out what they do, think or feel. They go further to argue that interviews make it easy to compare answers. For this research, I used the semi-structured in-depth interviews, which allowed me to use the probes to explore answers in more depth. There are many types of interviews, telephone interviews, face-to-face interviews, group interviews, etc. For this research, a face-to-face interview is used. My proximity to the head quarters of both corporations and the ease of communication permitted me get access to the very top-level management of both corporations. It is important to recall that corporate marketing is a strategic issue and therefore, it is the concern of the top-management of every corporation. With top management officials as interviewees, I am sure the quality of data collected is authentic and of high quality.

3.6 Practical aspects of this research

My research process started with mining Belgian companies that are growing in the international markets. After consulting the website of the Belgian chamber of commerce and the also the 'Gouden gids', I came up a list of companies. To cut a long story short, after the vetting process, I had three companies from which to choose two, as recommended by the promoter. I made contact with the three companies using emails and telephone. After exchanging emails and telephone conversations, the reception desks of Dexia and KBC agreed to channel my request to the appropriate quarters. I got no further response from AXA. A further exchange of emails explaining the objective of the research and what exactly the companies can do took place followed by appointments for interviews and conversation.

Prior to the appointments, I sent the list of topics for discussion. I sent the interview guide to the interviewees in advance. During the interviews that took place at the premises of both companies, every conversation was recorded (taped) and later transcribed. The interviews were both very relaxed and were more of informal conversations. The interviewees used documents and other company materials to support their answers. In both cases we agreed on nondisclosure terms on the information that is provided and shown to me during the interviews. Two interviews took place at the Dexia Group (with Mr. Vandelinden Paul, head of marketing for corporate banking, Belgium and a combined interview with Mr. Frank Van Assche, head of brand and project office – Communications and Mr.Smet Dirk head of Communications, both of the Dexia Group head quarters).

At the KBC group one interview was conducted with Mr. Paul Daels, advisor on brand and image, in the presence of Ms. Astrid Dendievel, intern at KBC head quarters in Leuven. On appendix 4, you find the interview guide used during all the interviews for this research.

Quality Standards

Jankowicz (2000) mentions two types of quality standards that are relevant for a qualitative research: *reliability* and *validity*.

The *reliability* criteria discussed in Jankowicz (2000) assumes that research criteria are neutral and that if someone else would conduct the interviews, they would get the same results. In this research, I conducted interviews with different people in two different organisations. Since interviews deal with human beings and the interrelationship between the interviewer and the interviewees, the same results might not be found if someone else does this research.

As mentioned already, this research is done with only two growing corporations, which might decrease the reliability. The findings are made base on two case studies, which makes it worth noting that no generalisation can be made due to the limited number of cases studied. However, the two companies chosen provide valuable information since the companies are international corporations with strong standings in their markets. Therefore, I assume that their corporate marketing strategies may be transferable to other growing companies in the international markets and as such increase the reliability.

Furthermore, the fact that interviews were with the members of the top-management level of the corporation and also the fact that the interview guide was sent in advance to the interview increase the reliability of the outcomes.

Validity is according to Jankowicz (2000) the criteria of measuring what is supposed to be measured. As mentioned already, I used a tape-recorder, with the knowledge of the interviewee, to record the conversations, ensuring that I got all the information and am able to double check answers. This increases the validity of the outcome.

The interviewees were people of the calibre that could provide valid information on behalf of the companies for this research. The language of communication during the interviews was English. Both the interviewer and all the interviewees were comfortable using the language thus no risk of translation or misinterpretations. This aspect also increased the validity of the outcome.

3.7 Data analysis Technique

The choice of data analysis technique or method depends on whether the data collected in quantitative or qualitative. The interviews for this research lead to the collection of qualitative data. According to Robson, (1993) In Hussey Jill & Roger (1997, P248), the main challenge to qualitative data analysis is that there is ‘no clear and accepted set of conventions for analysis corresponding to those observed with quantitative data’. It is against this backdrop that for this research, I choose to the techniques of *reducing*, *structuring*, and *de-textualising* the collected data, so that arriving at a conclusion is facilitated.

According to the explanations of Miles and Huberman, 1994 In Hussey & Hussey (1997)

- *Reducing the data*: Data reduction is ‘a form of analysis that sharpens, sorts, focuses, discards, and reorganises data in a way that ‘final’ conclusions can be drawn and verified
- Structuring the data leads to rearranging the data in a structure form that is most suitable for analysis; and
- De-textualising the data is concern with reducing the amount of text and possibly using illustrations and diagrams for analysis.

After outlining the methodology used in this research, starting with explaining the purpose of the research, the research approach to be used, the research strategy adopted for the exercise, the circumstances surrounding the choice of samples for the case studies, and the methods and techniques to used to collect and analyse the empirical data collected from the interviews, the next chapter presents the data collected during the interviews. It should be recalled that the interviews, as mentioned earlier were semi-structured and in-depth, which allowed for in-depth exploration of probes. With such a structure, the resulting data is not chronological, as such, allows for data analysis as explained above. The next chapter presents the data collected.

Chapter 4 Data Presentation

In this chapter, data collected during the interviews in presented. Starting with the data from case study number one, which is the data from the Dexia Group interviews, followed by the second case study for this research, which is the data from the KBC Group interview. In both cases, the data presentation starts with a brief background information about the 'growing' company.

4.1 Case Study 1: The Dexia Group

Background

History

The Dexia Group has come a long way. Historically, the name Dexia was born in 1996 from the alliance of two top-level operators in local public sector financing in Europe: Crédit Communale de Belgique and Crédit Local de France. During that merger, they used the phrase "*we will become your bank*" as the message to strengthen the new name Dexia. Thereafter, the new Dexia bought ATESIA, a then existing financial institution in Belgium, to form what became known as the Dexia Group. ATESIA itself was the result of a merger of two other smaller financial/insurance organisations in Belgium known as *BACOB and ParisBar*

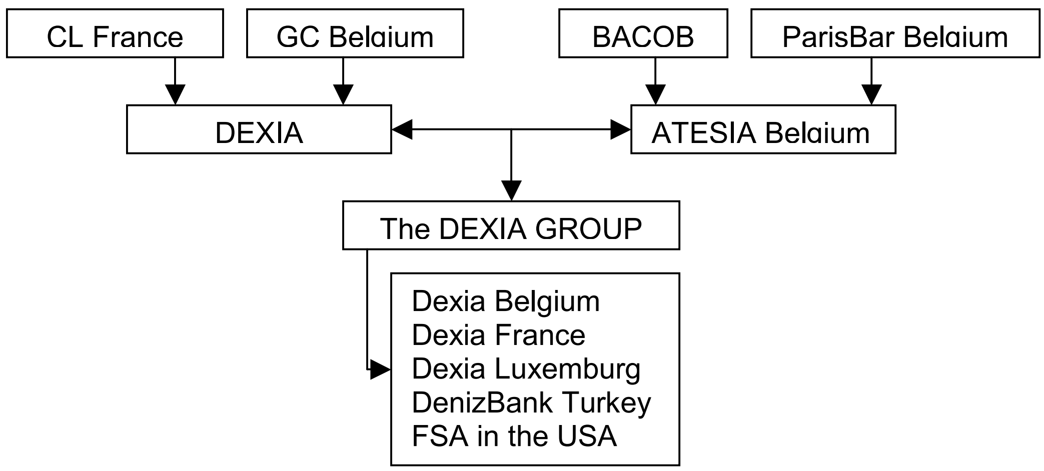


Figure 4.1: History *of Dexia Group formation*

The Dexia group builds its business on two pillars: retail banking in Europe (Belgium, Luxembourg, Slovakia, Turkey) and financial services to the local public sector and project finance (where is claims to be the world leader)

Two pillars: Retail Banking in Europe and **Public & Project Finance at a global level.** Dexia is a retail bank that has 5.5 million customers in Belgium, Luxembourg, Slovakia and Turkey. The Group is active in the sectors of asset management, insurance, investor services and capital markets. Know-how, long-term commitment and a high degree of solvency give a high visibility to Dexia. Dexia develops this strategy at the global level.

Dexia's success rests not only on its being renown and its distribution capacities, but also on its ability to design sophisticated products and to develop innovative solutions responding the financial needs of its clientele.

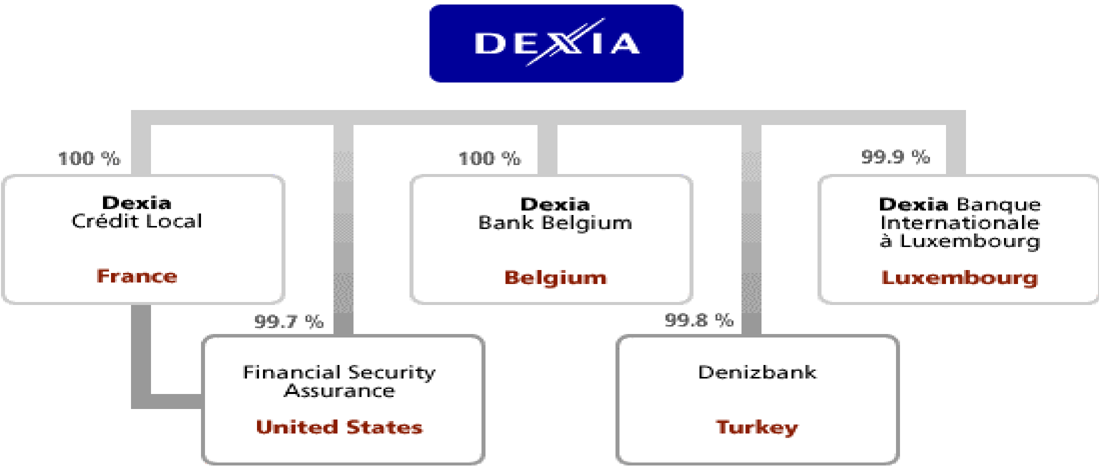


Figure 4.2 *The legal Structure of the Dexia Group*
Source: http://www.dexia.com/e/discover/strategy.php

The Dexia Group operates two principal business lines:

- **1 - The Public and Social finance** (project finance) – Corporate Business Line (worldwide) Has been doing this for over 150 years and has 75%marketshare in Belgium. Market leader in France and Belgium.
- **2 - Personal financial services** (4 million clients in Belgium) Operates this service only in Belgium, Luxemburg and Slovakia

Dexia uses it market leader positions in France and Belgium as proof points. Dexia group is committed towards society as a whole and to its customers in particular. Dexia wants to be in a long-term partnership with its customers.

Mr. Frank Van Assche and Mr. Vanderlinden Paul, head of brand & Project office – Communications and head of marketing – Corporate Banking respectively, were my interviewees at the Dexia Group head quarters in Brussels. In presenting the data, I will refer to them simply as Frank and Paul.

4.1-1 Corporate Marketing strategy at the Dexia Group

As mentioned above, the Dexia Group is a young and growing corporation, operating in the services industry, particularly in the finance and insurance sector. The Dexia Group focuses on two main activity types in the sector as mentioned above. In one of the business lines, the public and social finance, Dexia is already using a global marketing strategy, while for the second business line; they use a multi-domestic marketing approach. As such, the Dexia Group's corporate marketing strategy is a mixture of *standardize and adaptation*.

The reason for splitting their strategy between a global strategy and a multi-domestic strategy is, according to Frank and Paul, is that Dexia has been involved in public & project finance and credit enhancement at global level even before the group came together, while at retail banking they have only been in a few European countries. Prior to forming the Group, Dexia was a relatively young organisation, create in 1996, then not long after that Dexia merged with Atesia of Belgium to form the Dexia Group. Against this backdrop, the group is still in the process of setting-up corporate or 'group' level structures at the moment. In the words of Frank, "*not until recently, we have concentrated on product/services marketing*" the consequence of the dual strategy can bee seen in the fact that currently, Dexia has two slogans (what is known as brand covenant): "*a better view on your future with dexia" for* the retail banking business line and "*short-term has no future* " for the public and social finance business line. The management at Dexia thinks the two brand propositions are complementary, though addressed to different target markets.

It is interesting to note that Dexia is just starting to engage in corporate marketing. Franks states, "*For the last 3-5 years Dexia has only done marketing on its services and products. We only started a corporate marketing campaign 3 months ago and especially for the Biz line 2, we started on the 10/4/08"*.

To sustain competitive advantage, the Dexia Group is engaging in developing and providing innovation services and solutions to it clients and partnering with their clients for long-term relationships, especially with the Public and social finance business line. For instance, they moved from only providing the necessary finance for community projects to actually executing and maintaining the projects over a long-term contract. Concerning the retail banking business line, Dexia strives to maintain competitive advantage by training employees to match words with action, with the goal to continuously build and maintain a positive corporate image and reputation.

The Dexia group has benefited from the historical reputation of the "traditional Belgian" organisations that merged first to form Dexia and Atesia and later on the Dexia Group. As a service brand, Dexia Group focuses on advertising campaigns such as TV commercials. They are cautious in not taking a radical approach to harmonise their campaigns since they serve two different principal markets for their two business lines, and secondly, they are growing through acquisitions and as such are taking all the necessary precautions to keep their local market loyalty. Dexia runs one global media campaign for the public and social finance business line and a more national campaign for the retail banking business line. However, for the latter, the campaign theme and slogan is the same for all countries to maintain consistency.

4.1-2 Managing the Corporate Marketing mix Elements at Dexia

Figure 4.2 above shows the countries and the various businesses that are operated in differnt countries. This figure tells the Dexia story as far as managing the Dexia Brand is concern. Dexia maintains a unique brand name and consequently all other elements of the corporate marketing mix except for two subsidiaries; FSA in the USA and DenizBank in Turkey. This approach to the corporate brand management can be termed "A multi-domestic branding strategy". In the short term, it is important to maintain positive business momentum in the local markets that Dexia operates. However, such a strategy could lead to potential setbacks if not well managed. A Problem could be fragmentation and inconsistencies, especially with corporate communications. Remember Dexia is using a global campaign for the Public and social finance business line.

An interesting remark to note is that the CEO of the Dexia Group is aware and interested in corporate marketing, as mentioned by Frank. At the Dexia head quarters in Brussels, they understand that the function of corporate marketing is philosophical (difficult to show tangible direct benefit). Notwithstanding, the CEO and CFO are interested to set-up a top-level structure to handle issues of corporate marketing within the Group. At the moment, the corporate communications manager is responsible for the corporate marketing. As mentioned earlier, the national organisations that are part of the group still play an important role in the management of the Dexia brand.

The Dexia is the result of successful mergers of renowned Belgian organizations. Therefore, the group benefit from a long history and positive reputation, especially in the Belgian market. Against this backdrop, "*Dexia has been in there since 150 years, and that adds credibility (track record) and authenticity which leads to reputation*", said Frank.

For Dexia, all stakeholders are important. The most important are the employees and the customers. It is very important for Dexia to understand and satisfy customer needs. It is for this reason that they focus on building partnerships with customers. On the part of employees, Dexia continues to conduct in-service trainings to ensure that employee match words with actions (Putting dexia's brand promise into action). They also have a 'young graduate' three years programme that allows young graduates to joint the organisation and work for a semester in a department, so that at the end they might choose which department interest them for a permanent job.

From historical times, present day Dexia had been involved in socially responsible activities through the various organisations that merged to form the group, even before the concept of Corporate Social Responsibility (CSR) became popular. "Dexia does not shout about what it does concerning social responsibility, e.g. Dexia is concerned about Co2 emission; it is building its own energy plant in France to be powered by windmills". Until recently the national organisations were fully responsible for the CSR programmes. Now, someone has been appointed to carter for CSR at corporate level.

4.2 *Case Study 2: The KBC Group*

Created in 2005, the KBC Group NV is a Belgian banking and insurance holding company. The 'growing' company under the banner of the KBC Group NV has a relatively short history. The short history of the group is obvious, since the group was only formed in 2005. Despite the short history, the group already enjoys a high and positive awareness and reputation according to recent market research findings, as presented by the interviewee. It should be mention that the young group has benefited directly and indirectly from the reputations of the various companies that merged to form the group. The KBC Group positions itself as
'*An integrated bancassurance group catering mainly for retail customers, private banking clientele and Companies with a geographical focus on the home markets of Belgium and Central and Eastern Europe and selective presence in the rest of the world'.*

History of the Group (Brief)

The KBC Group was created on 2 March 2005 through the merger of the KBC Bank and Insurance Holding Company and its parent company, Almanij. The diagram below shows the group's historical build-up that led to one single entity – KBC Group NV – in control of three underlying companies, viz. KBC Bank, KBC Insurance and Krediet-bank SA Luxembourgeoise. (KBL European Private Bankers, i.e. KBL EPB).

Mergers that led to the KBC Group NV

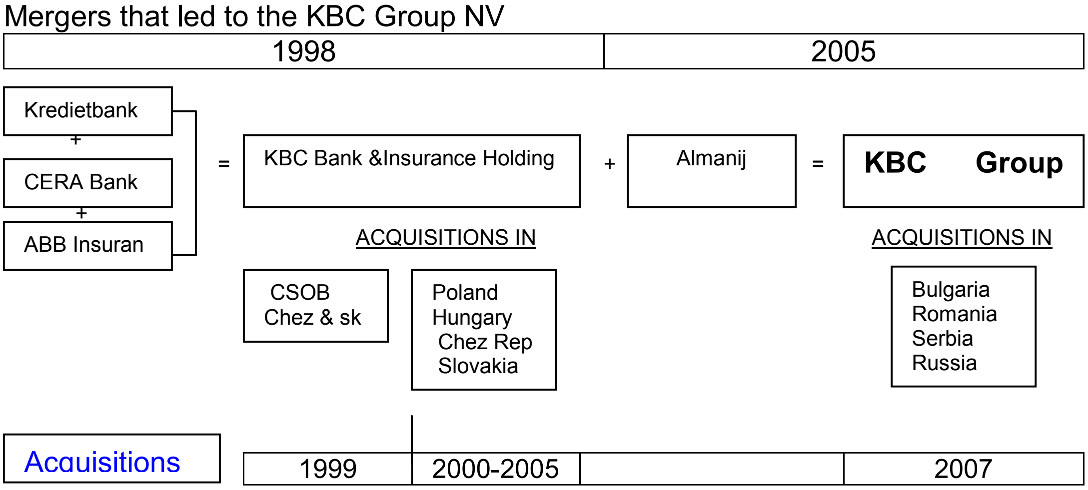


Figure 4.3 *History of KBC Group formation NV (Source: Writer's initiative)*
Information Sources: - 2007 annual report – pages 2 & 8;
https://www.kbc.com/MISC/D9e01/~E/~KBCCOM/~BZJ07W1/- BZIZTPN/BZJ07TR
Mr. Paul Daels, Advisor Brand and Image – Communication Division KBC

The KBC group's management structure has been built around five business units: the Belgium Business Unit, the Central & Eastern Europe and Russia (CEER) Business Unit, the Merchant Banking Business Unit, the European Private Banking Business Unit and the Shared Services & Operations Business Unit. Each is managed by its own management committee, which operates under the Group Executive Committee and oversees both the banking and the insurance activities.

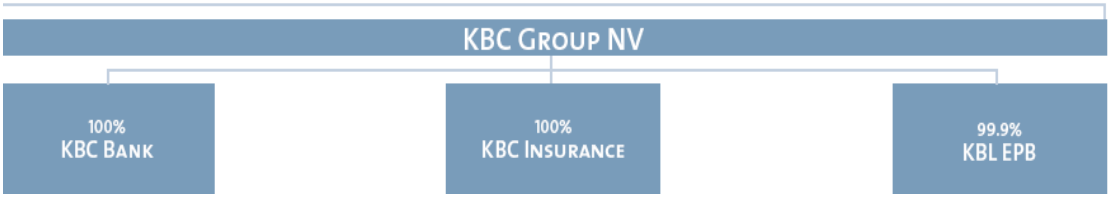


Figure4.4 *Legal structure of the KBC Group NV (source: Annual report 2007)*

The figure below shows the business mix in which the KBC Group NV is involved in as of 2007.

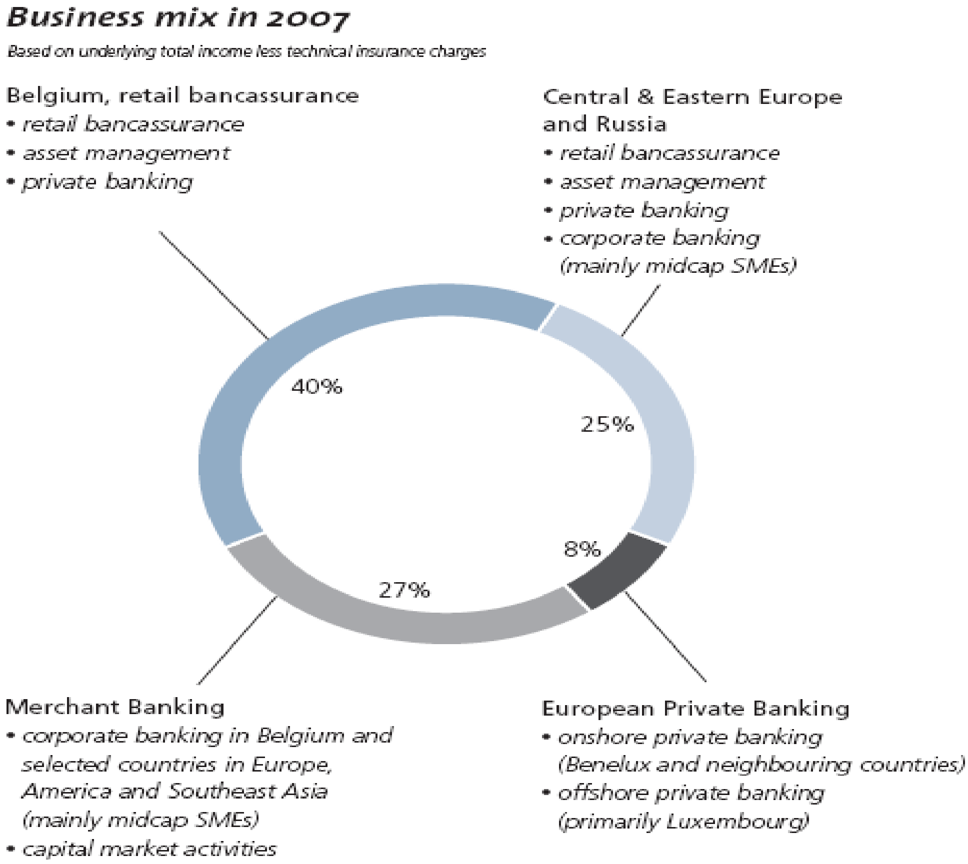


Figure 4.5 The *Business Mix of the KBC Group NV (Source: 2007 annual report KBC)*

The KBC group was born from historical mergers and has grown rapidly through acquisitions. KBC's strategy is about being present in major private banking and insurance markets in central and Eastern Europe. KBC Group is listed on Euronext Brussels (ticker symbol 'KBC') and the Luxembourg Stock Exchange. With a market capitalisation of around 36 billion euros, KBC is one of the top Belgian companies and one of the leading financial groups in Europe, employing 50 000 staff and catering for 11 million customers. My respondent at KBC was Mr. Paul Daels, Advisor for Brand Image at the Communication Division. In this presentation, he is referred to simply as Daels.

4.2-1 Corporate Marketing Strategy at KBC Group NV

As seen above, the KBC Group is a very young and 'growing' bank and Insurance Company, operating in the services industry. KBC is establishing its services in many countries as mentioned above and offers a diverse portfolio of services. The underlying characteristic of the services is that they are all financial services, be it insurance, asset management, retail banking, etc. Patterning to corporate marketing at KBC, there is evidence that the young group is moving towards the installation of structures to ensure that the corporate marketing function is up and running. Much focus at the moment is with corporate communications and the corporate visual identity is the first concern. After acquiring and merging with many companies within a very short time (the goal being growth and being present) KBC is taking grate concern to try and harmonise, especially its corporate visual communications.

Mr Daels provides the KBC Group with advice on the corporate brand, corporate Image and is also involve in Corporate Communications, except PR and Press-level communications which is more attached to the CEO. While the management is still in the process of setting up permanent corporate-level structures to manage corporate identity, brand management and corporate communications. The present Group communications department is only concerned with public relations and press communications.

At the moment, KBC is in the process of reviewing and restyling the KBC brand architecture, especially after the many acquisitions already made within a short period of time. Clearly this shows that KBC puts emphasis on harmonising its corporate visual identity. The logos in the figure below gives a idea the current situation with respect to the KBC identity, image, corporate brand management, visual communication, and of course corporate reputation, especially out of the home market of Belgium.

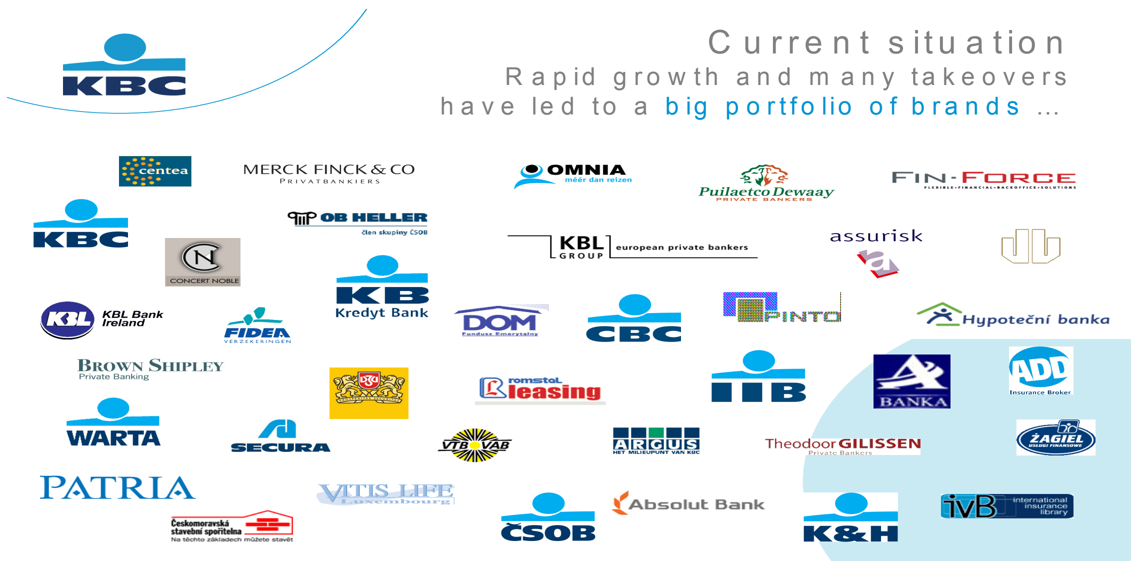


Figure 4.6: *Confederation of Brand Logos in the KBC Group Portfolio*

(Source: Presentation on brand architecture KBC Brand Advisor)

The KBC brand is expanding through rapid growth and acquisitions. In the process, and as a matter of policy, KBC has decided to “Respect and keep the strengths of the acquired companies. Daels states “*KBC is softer to re-brand acquired companies by respecting the local strengths and the local clients*”.

As such, KBC’s current policy is using a ‘*multi-domestic brand strategy’*, but with endorsement of the parent brand. Though some subsidiaries are already using the KBC logo with their brand names, as we can see in figure 4.6 above, there is no clear relationship yet in visual branding among the subsidiaries. It is important to note that some subsidiaries have already been re-branded to the KBC brand. For instance, from the 6 March 2008, the ALCO Banka, officially started to operate under the new name KBC Banka ad Belgrade. (http://www.kbcbanka.rs/index_en.html)

4.2-2 Managing the Corporate Marketing Mix Elements at KBC Group NV

Corporate identity as well as branding at the KBC group is currently applying the Endorsement strategy. This can be understood from the cost and benefit reasons put forward. However, it is dangerous from the corporate marketing point of view. Having multiple identities and brands can be a source of weakness for the corporation in terms of a corporate image, reputation and stamping a strong brand personality to the public and stakeholders. It does not send the right signals necessary to lure investors and analysts. KBC might be benefiting from not incurring the tangible cost to re-brand, but the trade-off is that it reaps the fallouts from a fragmented reputation and image. Having various subsidiaries with diverse organisational identity is definitely not helpful to the corporation in the long term. Though Mr. Daels points out that KBC intends to gradually co-brand and then re-brand its subsidiaries in the long term, he also confirms that, for economic reasons, some subsidiaries of the KBC group will definitely maintain their own elements of the corporate marketing mix, and also their own strategies. For instance the Antwerp Diamond Bank in Belgium, KBL bank in France and Luxemburg, to mention a few. For other subsidiaries, as mentioned earlier, KBC intends to take a gradual and progressive approach to eventual re-branding. The strategy is to start with endorsement of the KBC brand to co-branding with the KBC brand in the visual /graphic communication and finally to a complete re-branding. This is a long-term plan.

KBC enjoys a very good reputation compared with its main competitors, Dexia, Fortis, ING and AXA” in their home market in Belgium. Evidence of this according to Mr Daels, is a high demand for KBC personnel to give presentations at seminars, conferences. KBC lives its brand essence that includes credibility, sincerity and “*we have a very strong brand concept*” said Mr., Daels. KBC got a one-year historical advantage over key competitors who offer the same service. KBC was the first in the market with the bancassurance product. The KBC brand markets itself with a "putting people first" concept, which actually resonates with the needs of the clients. The current slogan for that concept is *TALKING WORKS*. "*Our brand slogan tells the customers that we cannot not understand each other without talking*"- Daels said, stressing that the concept came as a backdrop of people's feeling the banks do not like having contact with people (the internet banking, the ATM, etc)

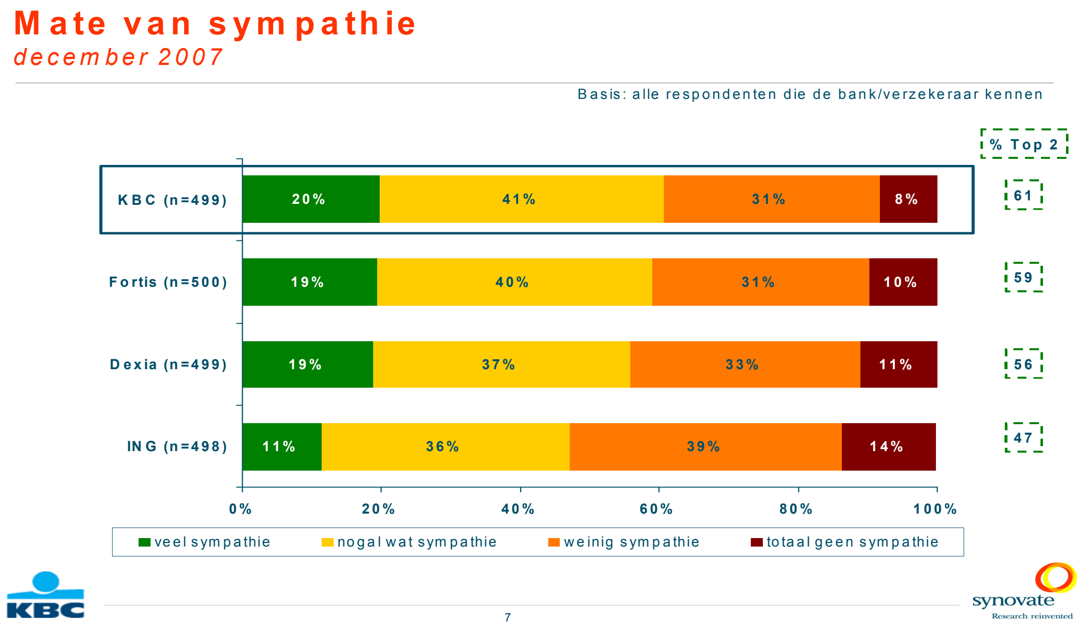


Figure4.7 *Reputation (sympathy survey in Belgium for Banking/Insurance Companies) Source: Brand Advisor KBC Paul Daels*

In the light of matching the action with promise, KBC offers internal training to branch personnel before and after the 'talking works' campaign to be able to deliver the brand concept of 'putting people first' in action. However, the leverage to ensure that what is preached (brand promise or proposition) is practiced, could be a source of potential problems for KBC because they do not fully own all the KBC retail branches, especially in the Belgian market. Retailing of the KBC services is contracted to small local companies and individuals. Due to this approach of retailing KBC insist local retail contractors use the KBC logo but with a different colour from that of the corporation.

To continue to gain loyalty, and capture mind-space, KBC is involve in

- Sponsorships
- Advertising (above the line Advertising)
- Public Relations
- Open and transparent communication

being visible & relevant according to Mr Daels

Every year KBC carries out 2 campaigns to keep the brand alive

At KBC, "*putting people first*" is not just a slogan – people can experience it and it becomes and attitude, said Mr. Daels.

To continue to ensure customer loyalty, and competitive advantage, especially in the Belgian market, KBC Group NV is participating in ethical and socially responsible activities that benefit its stakeholders and the public in general. KBC is involved in environmental protection courses, its strives to curb CO2 emission in it facilities in Belgium, it has also partner with other bodies that also run the course to become socially responsible. In 2006, KBC signed up to the United Nations Global Compact. Launched by UN Secretary-General Kofi Annan in 2000, the UN Global Compact is an international multi-stakeholder network of companies, UN agencies, labour, and civil society organisations, all endorsing the Ten Universal Principles of the Global Compact. The Principles cover the areas of human rights, labour, environment and anti-corruption, and are based on the Universal Declaration of Human Rights, the International Labour Organisation's Declaration of Fundamental Principles and Rights at Work, and the Rio Declaration on Environment and Development. All Global Compact participants vow to uphold these principles including KBC.

In 2006, KBC joined the Business Society Belgium, a Belgian business network for corporate social responsibility. The network is a source of inspiration for enterprises and corporation that wish to integrate the corporate social responsibility into their management.

Chapter 5 Data Analysis

This chapter sets out to analyse the data collected from the two case studies as presented in the previous chapter. In analysing the data, we first compare and contrast the data in each case study with the theory in conceptual framework designed for the proposed of this research. The conceptual framework is presented in chapter two. Secondly, we compare the data from the two case studies in a cross-case analysis.

5.1 Within-Case Analysis for Dexia Group

Corporate Marketing Strategy of Dexia Group

As stated by Balmer (2003), there are six elements in the corporate marketing mix (CM mix) of a corporation or organisation as the case might be. They include corporate identity, organisational identity (culture), corporate communications, corporate image, corporate branding and corporate reputation. In this research CSR is added to the mix. Corporate marketing as stated by Balmer and Greyser (2003) and Shaun, Balmer and Melewar (2007) should be a strategic top-management function that seeks to coordinate and harmonise strategies for all six elements of the corporate marketing mix in order to avoid fragmentation and ensure consistency for efficient and effective results. As the Dexia group increasingly develops an international structure, the function of corporate marketing becomes even more important and imperative.

The Identity Element (who we are and what we stand for?)

Balmer and Greyser (2003, P33) emphasis that, the identity concept is powerful; Powerful because at its heart resides two profoundly important corporate-level concerns. These are: "*who are we?*" (more internally focused) and "*what are we?*" (more externally focused – marketers and communicators' concern). At the Dexia Group, the focus presently is on communicating one identity for the Group. They have two standardised campaign themes for the two business lines, though national organisations can adapt the content of their campaigns, the theme remains the same.

Hong-Wei and Balmer (2007) argue that the concept of identity provides the platform by which many corporate-level concepts can be understood such as corporate branding, corporate communications, corporate image and corporate reputation. As such, it can be viewed as providing the foundation to the nascent field of corporate marketing. While Rhee, Noh Jong and Han, Eun Kyoung (2007) stress that corporate management activity is considered a branding activity to the stakeholders, so establishing a correct corporate identity (CI) is imperative. The stakeholders recognize the entire corporate entity as a brand, thus CI is not simply an image of the management, but a sum total of all corporate management activities.

According to *Balmer and Greyser 2003 (*p27), multiple identities are pervasive – in public organisations as well as in the private sector, in product firms and service firms, and in global entities and more local ones. They state that in merger and acquisition situations, senior managers need to be extra sensitive to the even lager number of identities present, which in turn may call for harmonisation. From a corporate level perspective, multiple identities exist within the Dexia group. Firstly, within the corporation, there are subsidiaries that have been acquired but are still allowed to maintain their identity for cost/benefit reasons (e.g. FSA and DenizBank). And secondly, even within the national organisations, multiple identities are pervasive. Though top management is making efforts to stamp this out, it is not easy and definitely will take time. Employees still address others as "*the ParisBar guy*" or "*the BACOB guy*". Change takes time and there is always resistance to change.

The Organisational Identity Element (who we feel we are?)

According to Brexendorf and Kernstock (2007), the identity of the organisation guides employees in their behaviour. Thus, identity and behaviour are strongly interlinked. They further argue that corporate values and culture shape and prefigure the behaviour of the employees. Ind stated in Brexendorf and Kernstock (Sep2007) that, the perception of an organisation is directly or indirectly influence by its employees and management. As such behaviour needs to be strongly aligned with the identity, values and the brand promise. At Dexia employees are trained to be able to live up to the brand promise. To be able to practice what the company is preaching.

Schultz, Hatch, and Larsen (2000) state that to win in today's ferociously competitive world, companies don't just have to sell products and services, they also have to sell a style and an image. They further state that the organisation's survival depends on everyone with whom it deals, knowing who it is and what it stands for. In the Belgian market, the local organisations that were involved in the series of mergers that resulted in the present day DEXIA Group have a long time relationship with the stakeholders dating back over decades. It helps the Dexia Group to build on that relationship to enhance its image and reputation in the long-term in its home market and consequently abroad.

The Corporate Branding Element *(what is promised and expected?)*

According to Brexendorf and Kernstock (2007), the concept of the corporate brand embodies the communication of values, internal and external, through corporate as well as marketing communication and requires a multidisciplinary approach. Further, they state that a corporate brand must help shape the vision, values and culture of the organisation as well as generate value for external stakeholders such as customers; thus, the point of view changes from a product to a holistic corporate view. Brexendorf and Kernstock also state that branding at the corporate level needs to take the whole variety of products and services into account; And that the corporate brand is the umbrella of the product and service brands at the corporate level. The corporate branding situation at the Dexia Group is mixed. Mixed because they are engage in two business lines (types of activities) and at two different segments, which implies they are consequently aiming at two different markets. The public and social finance business line is international, while the retail banking and insurance business line is more nationally oriented. Though the management argues that the two brand propositions (covenants) for the two businesses are complimentary, it is not easy for all stakeholders to see the link. (“*A better view on your future with dexia” for* the Personal Financial services business line and “*short-term has no future* “ for the public and social finance business line.)

According to Balmer in Balmer and Greyser (2003), Corporate branding involves, in most instances, the conscious decision by senior management to distil, and make known, the attributes of the organisation’s identity in the form of a clearly defined branding proposition (communicate, differentiate and enhance). At Dexia, managers decided to pursue a multi-domestic corporate branding strategy for economic reasons. Allowing strategically important acquired subsidiaries to maintain their brand names, visual communication, and as such strategies. Such a strategic approach is definitely beneficial in the short term, but in the long-term it would not enhance the corporation, for as it is said, the whole is greater than the sum of its parts.

Xu Xie and Boggs (2006) argue that firms that are successful in building a corporate brand are also more competitive than firms relying solely in product branding. They go further to argue that a corporate brand differs from a product brand in its strategic focus and implementation, which includes corporate strategy, corporate communication and corporate culture. They state that “generally corporate branding has much more strategic focus that product branding”. Based on Xu Xie and Boggs (2006) subsidiaries in the Dexia group case could be considered as products

The Corporate communications Element *(what we say we are?)*

According to Griesel, Dian. Equities (2008), a well-planned corporate communications program provides reliable third party endorsement, helps craft your company message, and ensures consistency of messaging. S/he argues that not only do these angles keep your company in the news; editors and segment producers cannot easily ignore a media-worthy pitch. Balmer and Greyser (2003) state that corporate communication is primarily ‘corporate’***.*** At the Dexia group, corporate-level structures (group level) are still being set up. Notwithstanding, communication at corporate level is already in place. The group-level communications is responsible for all the external communications, especially with the shareholders, the press, and analysts. Communication also takes place in the form of visual graphics (logos, font type, size, and colour) The Dexia Group has been consistent with the visual communication. Apart from Deniz Bank Turkey and FSA, United States, the rest of the organisations within the Dexia group have consolidated their visual communications.

The Corporate Image Element *(whom we seek to serve?)*

Image is very subjective because an image is formed from perception. For this reason, it is difficult for a corporation or any organisation to directly change people's perception of it. However, organisation can influences the image created by the way it identifies itself, communicates, its employees behaviour, and how it brands itself.

Van Riel (1995) suggest that, image is extremely important both to the source of the image (the image object) and to the receiver (the subject). Furthermore, he states that, the source (the organisation) considers that the transmission of a positive image is an essential precondition for establishing a commercial relationship with target groups.

Balmer &Greyser (2003) also state that, in general images are categorised according to one of four perspectives.

- The focus on the corporation as transmitter of images;
- Image from the receiver end of the equation;
- Focus on images (industry image or country of origin image);
- Concern with construed images (beliefs about beliefs).

It is therefore important to understand that the elements of identity, branding, behaviour and communication would have a great influence on the corporate image in the short-term and the corporate reputation in the long-term. At Dexia, they claim to have a positive image, especially in the Belgian market. Based on the historical relationships of the organisations that merged to form the group. Dexia continues to count on the passed glories of those organisations (Gemeente credite, ParisBar, BACOB etc). Attributes such as reliability, authenticity, aspects of nationalism, are some of the traits that continue to generate a positive image in the home market for the Dexia Group. However, in markets out of Belgium, the group needs to put in more efforts to get such a strong image as in the home market. Subsidiaries of the group might also have strong images in their local markets, but these images are not that of the Dexia group as a corporation. Certainly, it is these positive strong local images that the group strives to benefit from by not re-banding the acquired subsidiaries.

The Corporate Reputation Element *(what we are seen to be?)*

As mentioned by Balmer and Greyser (2003), there is often an overlap between the concept of Image and that of reputation because they all deal with the perception of the corporation or organisation.

"A favourable reputation brings distinctiveness and a strategic advantage to a corporation that are not easily duplicated. Moreover, a (positive) reputation can materially contribute to profits and as a bulwark when an organisation is confronted to counter with adverse stakeholder reaction". (*Balmer and Greyser, 2003* p177). Dexia still benefits from the reputation of the organisations that merged to form the group as mentioned before. Some of the organisations existed for more than a century in the Belgian market, e.g. *Gemeente Credite* Belgium. The 'nationalism' and 'patriotism' association helps to deepen the roots of today's Dexia Group. It could be said that the reputation of the group in its home market has a nostalgic connection.

According to Fombrum and Van Riel (2003), reputation is important to a corporation because a positive or favourable corporate reputation would provide the following advantages to the organisation or corporation:

- Reputation affects the judgement of media journalists and financial analysts
- Reputation creates differentiation and competitive advantage.
- Ultimately a good reputation matters because it is a key source of distinctiveness that produces support for the company and differentiates it from rivals.
- Differentiation based on reputation has become more important to companies because of various environmental trends – globalisation, information availability, product commoditisation, and media mania.
- Companies with strong reputations are better able to attract customers, investors, and quality employees – and to survive crises that would destroy weaker firms.
- A good reputation acts like a magnet: it attracts us to those who have it. A good reputation is an excellent call card. It opens doors, attracts followers, brings in customers, and investors, it commands our respect

Gary Davies with Rosa Chun, Rui Vinhas da Silva and Stuart Roper state that companies achieve competitiveness from being better regarded than their peers - from *reputation*. In this view, they suggest that managers build strategic advantage by generating favourable perceptions about the company in the minds of key stakeholders; And that these favourable perceptions become visible in the attractiveness of the company's products, services, trademarks, and brands, and constitute a company's *reputational capital*. The Dexia group as an entity has two levels of reputation: within and out of the home market. A deep-rooted positive and 'nostalgic' reputation at home and what I will term '*still-to-be-established*' reputation for the group in international markets. We could also deduce that through the local or national organisations, which still maintain their own identities, the Dexia group would indirectly benefit from a good reputation in those local markets.

It should be mentioned in this analysis that, at the moment, the Dexia group is involved in two litigations, which have the potential to tarnish its reputation. One of the lawsuits stems from business transactions carried out by the former ATESIA (The "Lernout & Hauspie affair") and a second problem is in the Netherlands with a company the Dexia group bought.

The Corporate Social Responsibility Element

Jonker, & Marberg, (2007) state that the dialogue surrounding corporate social responsibility (CSR) and the role that corporations ought to play in society persists as the world focuses more and more on its dwindling natural resources, changing climate, poverty, lack of social cohesion, corporate scandals and other compelling issues that connect organisations to their constituencies and the environment. . Smith, Craig & Ward, Halina (2007) argue that CSR needs to be understood and practiced at two levels; one *operational* and one *conceptual*. At the conceptual level, CSR will remain useful because it provides space for a higher-level activity in which the boundaries of business obligations to society can be examined, argued and refined. At the operational level, CSR is increasingly breaking up into a distinct series of sub-agendas: business and human rights, business and corruption, business and tax avoidance, for example. At this level, CSR needs to be localised so that it becomes more manageable, more tangible, more embedded within the organisation, and better shaped by the interests of stakeholders closest to a company’s operations on the ground, wherever they may be.

At Dexia, CSR is localised and the national organisations are empowered with the responsibility to carry out CSR activities. Notwithstanding, the Dexia Group is setting up a corporate or group-level structure to better coordinate the activities.

In summarising the data analysis for the Dexia Group case study, the conceptual framework proposed in chapter two and adapted for analysis with theory is used, as shown bellow. The framework epitomise the situation of the corporation marketing at the Dexia Group with reference to the theory on corporate marketing.

THEORY		**DEXIA GROUP**	**CORRELATION**
CORPORATION-WIDE STRATEGY	**Corporate Identity:** ➢ Powerful Platform for other elements (Balmer and Greyser 2003) + (Hong-Wei and Balmer, 2007) ➢ Multiple Identities (Balmer and Greyser, 2003)	Distinct Confederation	**+/-** **+**
	Organisational Identity (culture): ➢ Guide to employees' behaviour (Brexendorf & Kernstock 2007) ➢ Sell a Style and an Image (Majken Schultz, Mary Hatch, and Mogens Larsen, 2000)	Internal Image External Image	**+** **+**
	Corporate Branding: ➢ Shape vision, values, and culture (Brexendorf & Kernstock 2007) ➢ Corporation as a Brand (Balmer and Greyser 2003)	Competitive 'Covenant' and Associations	**+/-** **+**
	Corporate Communications: ➢ Consistency of messaging (Griesel, Dian. Equities, 2008) ➢ Primarily corporate (Balmer and Greyser 2003) ➢ Visual communication	Consistency Corporate wide Graphics	**+** **+** **+/-**
	Corporate Image: ➢ Corporate level transmission (Balmer and Greyser (2003) ➢ Harmony from other elements of mix	Holistic image Desired reflection Internal Image External Image	**-** **+/-** **-** **+/-** **+/-**
	Corporate Reputation: ➢ A key source of distinctiveness and competitive strategic advantage (Fombrum & Van Riel 2003) ➢ Bulwark in crisis time (Balmer & Greyser 2003)	Differentiation Fortification	**+** **+**
	Corporate Social Responsibility: **- Involvement in**	Environment Community	**+** **+**

Table 5.1 *Conceptual Framework for Analysing theory and Data collected in research-Dexia*

Key: + = Data coincides with theory;
+/- = Data somewhat coincides with theory
- = Data does not coincide with theory.

5.2 Within-Case Analysis for KBC Group

Corporate Marketing Strategy of KBC Group

Balmer (2003) presents six elements in the corporate marketing mix of a corporation or organisation. They include corporate identity, organisational identity (culture), corporate communications, corporate image, corporate branding and corporate reputation. Corporate marketing as stated by Balmer and Greyser (2003) and Shaun, Balmer and Melewar (2007) should be a strategic top management level function that seeks to coordinate and harmonise strategies for all six elements of the corporate marketing mix in order to avoid fragmentation and ensure consistency for effective and efficient results. AS organisations and corporation increasingly develop matrix and decentralise structures, the function of corporate marketing becomes even more important.

The Identity Element (who we are and what we stand for?)

According to Schultz, Hatch, and Holten (2000), the future lies with the expressive organisation. They state that expressive organisations (corporations) understand their distinctiveness – they know their identity and are able to communicate it externally and internally in ways which make key stakeholders feel a personal sense of belonging to the organisation (corporation and of having invested in its reputation and brand. Talking to people at the heard office the KBC group, you get the feeling that the organisation knows who it is and what it stands for. However, when you look at the portfolio of companies the group has acquired within a relatively short period of time, you get a completely different picture. For example, the number of visual identities (logos) in the portfolio immediately signals a looming identity crisis.

Hong-Wei and Balmer (2007) argue that the concept of identity provides the platform by which many corporate-level concepts can be understood such as corporate branding, corporate communications, corporate image and corporate reputation. As such, it can be viewed as providing the foundation to the nascent field of corporate marketing. Against this backdrop, the situation at the KBC group, looking from the perspective of corporate marketing is not easy to elaborate. As a corporation, the identity situation conforms to Balmer and Greyser (2003) argument that multiple identities are pervasive. KBC is has adopted the endorsed identity strategy and is currently in the process of adapting the visual identities of its subsidiaries. The process has started with the redesigning visual/graphic identities (logos, letterheads, in short house style as it is commonly known).

The Organisational Identity Element (who we feel we are?)

According to Brexendorf and Kernstock (2007), the identity of the organisation guides employees in their behaviour. Thus, identity and behaviour are strongly interlinked. Furthermore, they state that corporate values and culture shape and prefigure the behaviour of the employees. Ind stated in Brexendorf and Kernstock (2007) that, the perception of an organisation is directly or indirectly influence by its employees and management. As such behaviour needs to be strongly aligned with the identity, values and the brand promise. At KBC, particularly in the Belgian market such an alignment would be difficult to ensure because the group has adopted the strategy to contract (sublet) the retail banking activities to small contractors and agents. With such a situation, KBC in principle does not have direct influence on the behaviour of employees at the retail outlets. Though it might be possible to indirectly have influence through the conditions of the contracts. With this strategy for the Belgian market, comes another identity issue. The retail contractors or agents are not allowed to use the same blue colour for the logo at their outlets. Instead they use a greyish colour for the same logo design. For the conscious customer it is a source of confusion and might eventually lead to distrust. If KBC is not 'liable' to the customers, who believe they are KBC customers, then potential problems abound.

Schultz, Hatch, and Larsen (2000) state that the organisation's survival depends on everyone with whom it deals, knowing *who* it is and what it stands for. At KBC this could be hard to realise, especially in their Belgian market.

The Corporate Branding Element *(what is promised and expected?)*

Rhee, Noh Jong and Han, Eun Kyoung (2007) stress that corporate management activity is considered a branding activity to the stakeholders, so establishing a correct corporate identity (CI) is imperative. They further argue that the stakeholders recognise the entire corporate entity as a brand, thus CI is not simply an image of the management, but a sum total of all corporate management activities

According to Brexendorf and Kernstock (2007), the concept of the corporate brand embodies the communication of values, internal and external, through corporate as well as marketing communication and requires a multidisciplinary approach. Further, they state that a corporate brand must help shape the vision, values and culture of the organisation as well as generate value for external stakeholders such as customers; Thus, the point of view changes from a product to a holistic corporate view. Brexendorf and Kernstock also state that the corporate brand is the umbrella of the product and service brands at the organisational level. The corporate branding situation at the KBC Group is yet to take that umbrella position. The KBC Group is at the infant stages of creating a unique corporate brand for the group. They have started with a strategy to align the KBC Group brand beginning with a visual identity programme. They are adopting an incremental approach in the process that starts with endorsement of the parent brand logo and name; then they will move to co-branding and then to total re-branding. I should mention that not all acquired subsidiaries would be engaged in the above process. For strategic reason, some subsidiaries will maintain their brand name, identity, etc. Another identity, image, and branding problem at the KBC Group is that in some markets you find KBC competing with itself under different identities and brand names, This happens because of owned an acquired subsidiaries that keep different identities operate in the same market. Though they might be offering different services. You commonly see a KBC acquired subsidiary and a KBC outlet side by side, with completely distinct identities. (The question would be how do the employees identify themselves as working for the same corporation?)

According to Balmer in Balmer and Greyser (2003), Corporate branding involves, in most instances, the conscious decision by senior management to distil, and make known, the attributes of the organisation's identity in the form of a clearly defined branding proposition (communicate, differentiate and enhance). At KBC the managers decided to pursue a 'high degree' *multi-domestic* corporate branding strategy *mixed with an endorsement* strategy for strategic reasons as explained above. Such a strategy is definitely beneficial to the group in the short-term, but in the long-term it would not leverage the corporation, for as it is said, the whole is greater than the sum of its parts.

Xu Xie and Boggs (2006) argue that firms that are successful in building a corporate brand are also competitive than firms relying solely in product branding. They go further to argue that a corporate brand differs from a product brand in its strategic focus and implementation, which includes corporate strategy, corporate communication and corporate culture. They state that "generally corporate branding has much more strategic focus that product branding". As a newly created group that has grown at a very high speed, the KBC group in general is keeping the focus at the moment in the short-term, while having a vision for the long-term.

The Corporate communications Element *(what we say we are?)*

According to Griesel, Dian. Equities (2008), a well-planned corporate communications program provides reliable third party endorsement, helps craft your company message, and ensures consistency of messaging. S/he argues that not only do these angles keep your company in the news; editors and segment producers cannot easily ignore a media-worthy pitch. Balmer and Greyser (2003) state that corporate communication is primarily 'corporate'. At the KBC group, corporate-level structures are still being set up. Notwithstanding, corporate level communications with the press, capital markets, shareholders, and analysts is already done at corporate level. Other forms of communication are still oriented at more national levels. As mentioned earlier, the Visual communication at KBC is highly diversified and work is currently being done to improve the situation as explained. (See figure 4.6 above)

The Corporate Image Element *(whom we seek to serve?)*

The image concept is a very subjective one, because an image is formed from perception. For this reason, it is difficult for a corporation or an organisation to directly change people's perception of it. However, organisation can influences the image created by the way it identifies itself, communicates, its employees behaviour, and how it brands itself.

Van Riel (1995) suggest that, image is extremely important both to the source of the image (the image object) and to the receiver (the subject). Furthermore, he states that, the source (the organisation) considers that the transmission of a positive image is an essential precondition for establishing a commercial relationship with target groups.

According to Schultz, Hatch, and Larsen (2000), to win in today's ferociously competitive world, companies don't just have to sell products and services; they also have to sell a style and an image. Since identity and communication in all forms helps to influence the image created for the corporation, at KBC, it is difficult to get such an influence at the corporate level because of the confederation of visual identities. One would judge that the KBC group as an entity has a syndicate of images. But in the home market in Belgium, the group enjoys high name recognition for both it insurance and retail banking businesses.

Balmer and Greyser (2003) state that, in general images are categorised according to on of four perspectives.

- The focus on the corporation as transmitter of images;
- Image from the receiver end of the equation;
- Focus on images (industry image or country of origin image);
- Concern with construed images (beliefs about beliefs).

It is therefore important to understand that the elements of identity, branding, behaviour and communication would have a great influence on the corporate image in the short-term and the corporate reputation in the long-term. In a recent name recognition survey in the Belgian market, KBC can boost the fact that they have a positive image. That could be true for the KBC national organisation in Belgium, but Belgium is not the only country the KBC group is operating in. For this thesis, the focus of analysis is at the corporate-level.

The Corporate Reputation Element *(what we are seen to be?)*

As mentioned by Balmer and Greyser (2003), there is often an overlap between the concept of Image and that of reputation because they all deal with the perception of the corporation or organisation.

"A favourable reputation brings distinctiveness and a strategic advantage to a corporation that are not easily duplicated. Moreover, a (positive) reputation can materially contribute to profits and as a bulwark when an organisation is confronted to counter with adverse stakeholder reaction". (*Balmer and Greyser, 2003* p177). The young group KBC is benefiting from the reputation of the organisations that merged to form the group, as well as from those that have been acquired. Some of the organisations existed for a long time in the Belgian and other markets, e.g. Kredit Bank and CERA Belgium, CSOB bank Czech, Diamond bank Belgium, and Absolut Bank Russia just to mention a few.

According to Fombrun and Van Riel (2003), reputation is important to a corporation because a positive or favourable corporate reputation would provide the following advantages to the organisation or corporation:

- Reputation affects the judgement of media journalists and financial analysts.
- Reputation creates differentiation and competitive advantage.
- Ultimately a good reputation matters because it is a key source of distinctiveness that produces support for the company and differentiates it from rivals.
- Differentiation based on reputation has become more important to companies because of various environmental trends – globalisation, information availability, product commoditisation, and media mania.
- Companies with strong reputations are better able to attract customers, investors, and quality employees – and to survive crises that would destroy weaker firms.
- A good reputation acts like a magnet: it attracts us to those who have it. A good reputation is an excellent call card. It opens doors, attracts followers, brings in customers, and investors, it commands our respect

Gary Davies with Rosa Chun, Rui Vinhas da Silva and Stuart Roper state that companies achieve competitiveness from being better regarded than their peers - from *reputation*. In this view, they suggest that managers build strategic advantage by generating favourable perceptions about the company in the minds of key stakeholders; And that these favourable perceptions become visible in the attractiveness of the company's products, services, trademarks, and brands, and constitute a company's *reputational capital*. The KBC group as an entity has multiple reputations depending on the market they are in and how involved they are in those markets. One thing is sure; KBC enjoys high name/brand awareness in the Belgian market, base on a recent market research (see figure 4.7 above). From the point of view of the subsidiary organisations that still maintain their structures and identity the group would indirectly have a good reputation in those local markets.

The Corporate Social Responsibility Element

Jonker, & Marberg, (2007) state that the dialogue surrounding corporate social responsibility (CSR) and the role that corporations ought to play in society persists as the world focuses more and more on its dwindling natural resources, changing climate, poverty, lack of social cohesion, corporate scandals and other compelling issues that connect organisations to their constituencies and the environment. KBC is a member of business organisations in Belgium that strive to promote CSR. Smith, Craig & Ward, Halina (2007) argue that CSR needs to be understood and practiced at two levels; one *operational* and one *conceptual*. At the conceptual level, CSR will remain useful because it provides space for a higher-level activity in which the boundaries of business obligations to society can be examined, argued and refined. At the operational level, CSR is increasingly breaking up into a distinct series of sub-agendas: business and human rights, business and corruption, business and tax avoidance, for example. At this level, CSR needs to be localised so that it becomes more manageable, more tangible, more embedded within the organisation, and better shaped by the interests of stakeholders closest to a company's operations on the ground, wherever they may be. KBC's CSR is the responsibility of national organisations and a corporate level structure is yet to be created.

In summarising the data analysis for the KBC Group case study, the conceptual framework proposed in chapter two and adapted for analysis with theory is used, as shown bellow. The framework epitomise the situation of the corporation marketing at the KBC Group with reference to the theory on corporate marketing.

	THEORY	KBC GROUP	CORRELATION
CORPORATION-WIDE STRATEGY	**Corporate Identity:**		
	➢ Powerful Platform for other elements (Balmer and Greyser 2003) + (Hong-Wei and Balmer, 2007)	Distinct	**-**
	➢ Multiple Identities (Balmer and Greyser, 2003)	Confederation	**+**
	Organisational Identity:		
	➢ Guide to employees' behaviour (Brexendorf & Kernstock 2007)	Internal Image	**+**
	➢ Sell a Style and an Image (Majken Schultz, Mary Hatch, and Mogens Larsen, 2000)	External Image	**-**
	Corporate Branding:		
	➢ Shape vision, values, and culture (Brexendorf & Kernstock 2007)	Competitive	**-/+**
	➢ Corporation as a Brand (Balmer and Greyser 2003)	'Covenant' and Associations	**+**
	Corporate Communications:		
	➢ Consistency of messaging (Griesel, Dian. Equities, 2008)	Consistency	**+**
	➢ Primarily corporate (Balmer and Greyser 2003)	Corporate wide	**-**
	➢ Visual communication	Graphics	**-**
	Corporate Image:	Holistic image	**-**
	➢ Corporate level transmission (Balmer and Greyser (2003)	Desired	**-**
		reflection	**-**
	➢ Harmony from other elements of mix	Internal Image	**-/+**
		External Image	**+/-**
	Corporate Reputation:		
	➢ A key source of distinctiveness and competitive strategic advantage (Fombrum & Van Riel 2003)	Differentiation	**+/-**
	➢ Bulwark in crisis times (Balmer & Greyser 2003)	Fortification	**-**
	Corporate Social Responsibility:	Environment	**+**
	- Involvement in	Community	**+**

Table 5.2 *Conceptual Framework for Analysing theory and Data collected in research-KBC*

Key: + = Data coincides with theory;
+/- = Data somewhat coincides with theory
- = Data does not coincide with theory;

5.3 The Cross-Case Analysis

Before we engage in the cross-case analysis for this research, it is important to note that the organisations in the cases operate in the same business industry, the same sector, and offer pretty similar services. Except for slight differences, they operate in similar markets too. These conditions mean that our cross-case analysis provides us with a comparative overview of the corporate marketing situation within the two organisations with minimal assumptions. The conceptual framework created in chapter two is used in this cross-case analysis as shown below in *table 5.3*

Notes to the analysis:

- The Dexia Group would be represented with the code **Org1**
- The KBC Group would be represented with the code **Org2**

Framework for corporate marketing analysis – Multi-dimensional relationships

MARKETING MIX ELEMENTS	CONSTRUCTS	STRATEGY ALIGNMENT			
		Organisations-level Strategy		Corporate-level Strategy	
		Org1 D	Org2 K	Org1 D	Org2 K
Corporate Identity	Who are we?	+	+	+	+/-
	What do we stand for?		+	+	+/-
	Visual Identity	+	+	+	-
Organisational Identity	Behaviour	+	+	+/-	+/-
	Who we feel we are?	+	+	+/-	-
Corporate Branding	*<u>What does it demonstrate?</u>*				
	- Innovativeness			+	+/-
	- Environmental concern	+	+		+
	- Community Involvement	+	+		+
	- Others				
	<u>Branding Strategy in use</u>				
	- Monolithic			+	-
	- Endorsement			+/-	+
	- Branded	+	+		+
Corporate Communications	Management Communication	+	+	+	?
	Marketing Communication	+	+	+	+/-
	Organisational Communication			+	+
Corporate Reputation	- Long-term Strategy			+	+/-
	- Shot-term strategy	+	+		+
Corporate Image	- Internal Image Building	+	+	+/-	
	- External Image Building		+	+	-
Corporate Social Responsibility	- Environmental concern	+	+	+/-	+/-
	- Community Involvement	+	+	+/-	+/-
	- Stakeholders	+	+	+/-	+/-

Key: Org1 = organisation 1 and Org2= organisation 2, etc

Figure 5.3 *A conceptual framework for analysing corporate marketing (by the writer)*

The outcome of this cross-case analysis brings us to the next chapter of this research – discussion, findings and conclusions.

Chapter 6 Discussion, Findings and Conclusion

In chapter five, we saw the analysis of the data collected for this research. The analysis is presented in two phases – the first phase compares the data from each case with the theory on the subject, while in the second phase, a cross-case analysis using a purposed conceptual framework is done. In this chapter, you are presented with the overall findings, discussion, and implications of the research. The research question posed in chapter one is answered. Thereby, the purpose of the research, which is to explore and describe the corporate marketing strategies of 'growing' Companies in the international markets, is reached.

6.1 Discussion: Reflection on past research

The purpose of this research has been to explore (gain a deeper understanding) of the corporate marketing strategies of 'growing' Companies in the international markets. The focus was on two Belgian organisations. To attain the goal, two sub questions were asked: "*How can the corporate marketing strategies of growing Companies in international markets be described?" and "How can factors that determine the choice of corporate marketing strategies for 'growing' Companies in international markets be described?"*

Two services industry "growing" financial services sector Companies, the Dexia Group and the KBC Group were chosen to explore the concept. The two Companies offer financial services as well as insurance services. They both operate in Belgium - the home market and internationally, with much concentration in same regions (Western and Eastern Europe). Significantly, the two organisations have grown rapidly, through expansions and takeovers or acquisitions in emerging markets.

Findings from this research show that growing companies (in the services sector to be precise) that are active in the international markets have different corporate marketing strategies. The corporate marketing strategy used in the international markets depends on the overall strategy and goal of the companies and the organisational structure that is being adopted. However, this category of organisations has similar factors that influence their choice of strategy. The sector in which they operate also plays a role in the strategy choices. Corporate marketing concerns for a product-oriented firm are different from those of a service-oriented firm. For example, the choice between adopting a standardised strategy and an adapted or localised corporate marketing strategy for the international markets would be easy depending on whether it is a product or service firm.

According to Hatch and Schultz (2003) many companies that go international (MNCs) shift focus from product brands to corporate brands as they move towards globalisation. This was not the case in the findings of the case studies for this research. In the research we found in the data analysis that both KBC and Dexia are aggressively going international. But they are not quick to focus on corporate branding. Instead KBC for example is focusing on the ‘endorsement’ strategy for their acquired subsidiaries, while Dexia on her part has a mixed strategy. Dexia, for one business line, focuses on elements of corporate branding, but is slow or not doing so at all for its second business line. They both Companies have subsidiaries that they have decided would maintain their own corporate marketing in their local markets. ***(Corporate brand is used here in the context of the entire corporation as a brand)***

According to Schultz, Hatch, and Larsen (2000), the marketplace is increasingly transparent and business is now front-page news. In such a business environment, for a corporation (as young as it is) to build a confederation of organisational brands, identities, communications, images and reputations does not make the corporation or in our case studies – the business groups any stronger in the highly competitive international markets. Having a confederation of organisational brands, as well as identities, images, reputations and communications is analogous to following a product-brands strategy. Balmer and Greyser (2003) argue that a corporate brands should boundary-span organisations.

Some very renowned international brands of the same sector as the organisations in this research like HSBC, CITIBANK, and also INGbank - a competitor and close neighbour, are great examples of financial service providers that practice effective corporate marketing. They have succeeded to establish strong international identities (visual and conceptual), corporate names, image, communications and reputations. As a result of their effort, they have created a competitive advantage in their favour. They show what success is, when all the elements in the corporate marketing mix (CM mix) are carefully consolidate for consistency, efficiency and effectiveness.

We can deduce from the case studies of this research that, in adopting a strategy for corporate marketing, growing Companies focus attention on shareholders, customers, and short-term financial benefits.

Shareholders

Behind every growth strategy is the goal to maximise shareholder wealth. It is more so for companies that engage in growth by going international. We understand that corporate marketing is a philosophical function that is difficult to directly see the tangible financial benefits that it brings. For this reason, it is common for managers that focus on short-term concerns such as generating shareholder wealth (dividend), immediate cash flow, to give less attention to functions that they do not perceive as generating immediate fiscal revenues.

Customers

A common means of organisational growth and new market penetration is through takeovers or acquisitions. The companies in this research have used this means to implement their growth strategies. The tendency as we have seen in the case studies is that, customer interests, loyalty, and relationships management, are given priority rather than assimilating the newly acquired entities into the corporate umbrella brand. The immediate focus is most often than not centred on continuity. Continuity to a 'growing' company means not taking the risks that come with immediate re-branding of the acquired firm(s). This means corporate-level marketing turn to take back stage (at least during the early years.) A common reason is "we do not want to send the customers away".

Financial Benefits

The underlying goal of growth is maximising financial benefits for the acquirer. Therefore, this goal is very important for the shareholders, as well as for the management team to proof its efficiency and earn its bonus. The quest for continuity and possible improvement on financial results from an acquired firm means that other functions, especially a more philosophical function as corporate marketing is not given priority. We have seen this situation in practice with the KBC case and also with the Dexia case, though the latter is not as evident as the former.

6.2 *Research Sub Question 1: How can the corporate marketing strategies of growing Companies in international markets be described?*

During this research on the corporate marketing strategies of 'growing' Companies in the international markets, we have seen that corporations or organisations need to sell themselves as an entity, while simultaneously sell their products or services, to be competitive in the marketplace of today. And that corporate marketing involves corporate-level concepts (activities and actions) that do not identify with a single product or service but provide a powerful and radical lens through which to comprehend the corporation. The corporate-level concepts comprise identity, image, communication, branding and reputation, and also corporate social responsibility.

The corporate marketing strategies of 'growing' Companies in the international markets are complex and difficult to categorise, because every company adopts a strategy that suits its situation and the conditions it finds itself in, in the markets concern. An expanding company is confronted with business pressures from within and outside the organisation, as such it would adopt a strategy that it deems appropriate. The tendency is that the strategy is most often short-term focused. As such, we can distinguish between a standardised versus an adapted strategy.

Corporations use either standardised or adapted corporate marketing strategies. However, the fact that we are talking about growing corporations, the tendency as we found in the case studies is that they mix the two strategies. What is most important to note about corporate marketing strategies of the 'growing' companies is the vision and awareness of the top-management about corporate marketing function.

Where top-management does not show interest in the function of corporate marketing, the elements of the CM mix will remain in their halos and no corporation-wide (or very little) harmonisation and coordination will exist. In such a case, much attention is only paid to few of the elements in the CM mix at corporate level, for instance corporate communications (visual and other forms of communication). This is the kind of situation we have seen with the KBC Group in the case studies. Though it was not clear if top-management is interested in the corporate marketing function. Based on the conceptual framework proposed, we find that the adaptation strategy is presently observed at the KBC Group. The corporation turns to build a confederation of organisational marketing strategies under the corporation, where every national organisation or acquired organisation operates its own organisational marketing within its market.

In a situation where the top-management is concerned about the corporate marketing of the growing corporation, the standardised and/or adaptation strategy is applied. In a standardised situation, there is emphasis and efforts to standardise or globalise the strategy for all elements of the CM mix (Identity, Image building, communication, branding, and reputation) plus CSR. The Corporation marketing function ensures strategy harmony, consolidation and consistency, to provide a powerful and radical lens through which to comprehend corporations. This ideal situation is rare with 'growing' Companies hat seek to expand in the international markets. Most often they apply a mixture of standardisation (when the go international through foreign direct investment) and adaptation when it is a takeover or acquisition situation. With the former, the standardisation strategy works easily since the new subsidiary is new and its being built from scratch. In such situations the Corporate marketing from the parent corporation then helps to establish a new market for the new subsidiary.

Nevertheless, when entering a new market comes through a takeover or acquisition, the tendency is to adopt the adaptation strategy for very strategic reasons (political and economic), which often include continuity, costs and benefits of re-branding, delineation of existing customers, etc. The adaptation strategy in corporate marketing is a short-term strategy for top-managers that are concerned about corporate marketing. This is the kind of situation we found at the DEXIA group. I should note here that my respondent confirmed that both the CEO and CFO of the Dexia group are very concerned about corporate marketing for the group.

6.3 Research Sub Question 2: How can factors determining Companies choice of corporate marketing strategies in international markets be described?

The factors that determine a 'growing' Company's choice of corporate marketing strategy (strategies) include the market complexity, the marketing cost of corporate marketing, the method of international, and the interests of the stakeholders.

Market complexity

For all Companies acting on the international markets, regardless of the type(s) of corporate marketing strategy chosen (standardisation, adaptation or both), market complexity is a significant factor to consider. To be competitive, in the contemporary marketplace, it is important for Companies operating internationally to understand and consider the complexity of the market before choosing a corporate marketing strategy. Globalisation is fast turning the world into a global village and consumers are becoming increasing sophisticated, therefore corporations, especially growing Companies expanding into international markets should strive to market themselves using standardised strategies that would reinforce the corporate brand and send strong signals to analysts, investors, consumers, and to the competition. However, in the case studies in this research we have seen that for reasons of market complexity, the organisations are applying different strategies.

Marketing cost

Another important factor to consider for growing Companies in the international market is the marketing cost of the corporate marketing. A corporation that is building a confederation organisational marketing would have on the overall a higher cost for corporate marketing due to the fact that every national organisation (acquired or FDI) needs to market itself at national level. On the contrary, using a standardised approach comes with the cost benefits of economies of scale. Another marketing cost that would be saved is the cost of market diversification (bringing a new product in a new market). With a standardised corporate marketing strategy, associations are easily made and name recognition saves the cost of starting from scratch to establish an identity, image, reputation, communication, brand and creating a market. Global corporate brands or international corporate brands find it easier to introduce new products and/or services, establishing new branches, etc than corporations that do not have corporate (brand name, reputation, identity, and image). On the other hand, marketing cost of the corporate marketing function (e.g. re-branding) might influence or in the worst case deter growing company from engaging corporate-level marketing activities.

Internationalisation method

As mentioned earlier, the advent of globalisation came with deregulation and diminishing socio economic boundaries. The implication for businesses is going international. The method a 'growing' Company chooses to go international influences the corporate marketing strategy that the Company adopts.

When a ‘growing’ Company uses the foreign direct investment (FDI) method, the standardisation strategy of corporate marketing is easier to implement. Meanwhile, if the acquisition approach is used, it turns out that the adaptation approach is preferred for the short-medium term. Cost, benefits, political, and economic reasons also push for the adaptation approach.

Stakeholder interests

Stakeholders’ interests are an important factor that growing Companies take into consideration when deciding which strategy to adopt in the international markets. The quest to maximise shareholders’ wealth is always important, especially because it is the reson d’etre of the company in the first place. Maximising wealth, means satisfying customers on whom the enterprise depends. Satisfying customers mean improving loyalty, and ensuring continuous purchase of offer(s). It is against this backdrop that in a situation of growth through entering international markets by means of acquisition(s), the adaptation strategy is handy for the short to medium-term. The risks associated with a radical re-branding (standardise) of a newly acquired firm are great for managers to take understanding that their bonuses depends most often on financial success. Implementing changes in elements of the CM mix in addition to other changes that come with the acquisition is seen as counter productive to the goal of wealth maximisation. In such a dilemma situation, the adaptation plus endorsement of parent company strategy comes into play.

Based on the findings, the following conclusions can be made:

- The factors determining the choice of strategy used by a ‘growing’ Companies in the international markets are different from one Company to the other;
- Stakeholders’ interest and expectations are important for a growing Companies when determining what strategy to use in the international markets;
- It is important for a corporation to have a corporate brand personality that is in line with the core values of the corporation;
- Overall there are higher corporate marketing cost for corporation building a confederation of organisational marketing;
- Growing Companies strive to benefit from economies of scale in corporate marketing by adopting endorsements to adaptation strategies;
- The corporate marketing function within a corporation or organisation depends on top-management’s interest in the function;
- Growing Companies adopt an adaptation plus endorsement corporate marketing strategy in the international market for economic and political reasons;
- Market complexity is an important factor for growing Companies in the international market;

- The method of going international is an important factor that influences a 'growing' Company's corporate marketing strategy.

6.4 Recommendations and Implications

Based on the conclusions made from this research, the attention now focuses on recommendations and the implications for practitioners of corporate marketing, the theory and for further research.

6.4-1 Implications for Practitioners of Corporate Marketing

The implications for practitioners from this research are recommendations for managers of 'growing' Companies expanding into the international markets. The implications or recommendations are based on the data collection from this research.

When going international is through foreign direct investment (FDI), emphasis should be put to standardise the corporate marketing strategy. The organisation as an entity turns to benefit in terms of reputation, brand awareness and loyalty, and competitiveness because it sends out consolidated and consistent signals like the corporate identity (who and what the organisation is and stands for), corporate communications and corporate image. It also benefit from the economies of scale in costs and from existing associations.

In the case where going international is through acquisitions, and for strategic reasons, immediate re-branding is not an option for the short-term; a carefully planned incremental re-branding strategy should be design that would lead to an eventual consolidation of the corporate marketing.

Managers need to constantly remember that in today's' globalise marketplace, consumers are placing increasing importance on brands. Brands provide an identity, stimulate the senses and enrich the life experiences of consumers. Therefore, where the corporation as an entity is the brand, it creates a reputable force in the market. As such corporate marketing is inevitable for tomorrow's successful companies in order to capture a larger part of the financial value and enhance the profit streams.

6.4-2 Implications for the Theory

The purpose this research was to investigate (explore and describe) the corporate marketing strategies of growing Companies in the international market. The study has primarily been based on describing the corporate marketing strategies used, as well as the factors that determine those strategies. The research is made through investigating previous research done on the six elements on John.M.T Balmer's model for corporate marketing (the 6Cs of corporate marketing). – Corporate identity, organisational identity (culture), corporate image, corporate branding, corporate communications and corporate reputation, plus corporate social responsibility. The research also involved the collection of empirical data from growing Companies in the international market. This research is based on John.M.T. Balmer's famous model for corporate marketing, which has appeared in many books and articles. However, I modified it the model to suit the purpose by adding another C – Corporate Social Responsibility to the CM mix.

To facilitate the analysis for this research I proposed a designed of a conceptual framework for analysing the corporate marketing function within a corporation. I should note here that the model has not been tested yet in a practical research.

From this research we have seen that there is no particular corporate marketing strategy that a 'growing' Company will adopt in the international market. Depending on the situation, they would either adopt one or more of the following: a standardised approach, an adaptation approach, a mixture of the two, and an adaptation approach combined with endorsement.

6.4-3 Implications for Further Research

As mentioned before, this thesis is on investigating the corporate marketing strategies and the factors that determines the strategies within a 'growing' Company in the international markets. The research has focused on the six elements of the corporate marketing mix proposed by John Balmer. This research looked at all the six elements, adding the element of corporate social responsibility. The discussion in the research, as we have seen has been more on a general level. That means it would be interesting to carry out more research on more specific areas including:

- Testing my proposed conceptual framework (model) for analysing corporate marketing within a corporation in the international markets;
- Design a framework for quantifying or measuring value derived (financial) from corporate marketing activities within a corporation;
- The impact of various strategies of corporate marketing practiced by growing Companies in the international market;
- The corporate marketing strategies of product-oriented Companies in the international market;
- Where to draw the line between corporate branding and corporate marketing.

References

1. **Aaker, David A. and D. McLoughlin** (2007): *Strategic Market Management European Edition*; John Wiley & Sons, Ltd

2. **Argentia, Paul & Janis Forman** (2002): "*The Power of Corporate Communications"* - Crafting the Voice and Image of your Business; McGraw-Hall

3. **Balmer, John M.T.** and **Shaun Powell** (2007): "Corporate Marketing Blog" - *www.corporate-marketing.org* Visited 21/11/2007

4. **Balmer, John M.T. and Stephen A. Greyser** (2003): "*Revealing the Corporation*" - Perspective on Identity, Image, Reputation, Corporate Branding, and Corporate-Level Marketing (An Anthology) – Uk and USA; Routledge, (Taylor and Francis Group)

5. **Balmer, John M.T.** (2001); "Corporate Identity, Corporate Branding and Corporate Marketing; Seeing Through the Fog". *European Journal of Marketing*, Vol. 35 Issue 3/4, p248-291, 44p; (*AN 5475819*

6. **Balmer, John M.T. and Stephen A. Greyser** (2006): **"**Corporate marketing"*:* *"*Integrating Corporate Identity, Corporate Branding, Corporate Communications, Corporate Image and Corporate Reputation". European Journal of Marketing, *Vol: 40; Issue: 7/8; P730 – 741/ DOI: 10.1108/03090560610669964*

7. **BNET Business Dictionary** http://dictionary.bnet.com 12/4/08

8. **Brand Identity Guru** (BIG): http://www.brandidentityguru.com/corporatebranding.htm Visited 18/04/2008

9. **Brexendorf, Tim O; Kernstock, Joachim**. (Sep2007) "Corporate Behaviour Vs Brand Behaviour": Towards an Integrated View? *Journal of Brand Management*, Vol. 15 Issue 1, p32-40, 9p, 1 chart, 1 diagram; DOI: 10.1057/palgrave.bm.2550108; (*AN 26435844*)

10. **Cornelissen, Joep P.; Haslam, S. Alexander; Balmer, John M. T**. (Mar2007 Supplement) "Social Identity, Organizational Identity and Corporate Identity: *Towards an Integrated Understanding of Processes, Patterning and Products". British Journal of Management*, Vol. 18, p1-16, 16p, 2 charts, 1 diagram; DOI: 10.1111/j.1467-8551.2007.00522.x; (*AN 24181102*)

11. **Craig, Smith N.** and **Ward, Halina** (2007): "Corporate Social Responsibility at a Crossroads?" *Business Strategy Review*, Spring2007, Vol. 18 Issue 1, p16-21, 6p; DOI: 10.1111/j.1467-8616.2007.00448.x; (*AN 23894326*)

12. **Fombrun, Charles J.** and **Cees B.M. Van Riel** (2003) "*Fame and Fortune" - How Successful Companies Build Winning Reputation.* Financial Times – Prentice Hall

13. **Gary Davies** with **Rosa Chun, Rui Vinhas da Silva** and **Stuart Roper** (2003) *"Corporate Reputation and Competitiveness"* London & New York – Routledge

14. **Gray, E.R. and Balmer, J.M.T**. (1998) "Managing Corporate Image and Reputation", *Long Range Planning* 31 (5): 696-702

15. **Griesel, Dian. Equities** (Jan2008): "Consistent Corporate Communications" Vol. 56 Issue 1, p89-89, 1p; (*AN 30002447*)

16. **Gylling Catharina and Kirsti Lindberg-Repo** (2006) " Investigating the Links Between a Corporate Brand and a Customer Brand" *Journal of Brand Management* 13, 257–267; doi: 10.1057/palgrave.bm.2540269

17. **Hatch, M. J. & Schultz, M.** (2008) "*Taking Brand Initiative*": 'How Companies can align their Strategy, Culture and Identity through Corporate Branding'. San Franisco: Jossey Bass.

18. **Hatch, Mary Jo and Schultz, Majken** (2003): "Bringing the Corporation into Corporate Branding". *European Journal of Marketing*, Vol. 37 Issue 7/8, p1041-1064, 24p, 3 diagrams; (*AN 10701191*)

19. **Hong-Wei He, and John M.T. Balmer (**2007) **"**Identity Studies": 'Multiple Perspectives and Implications for Corporate-Level Marketing'. *European Journal of Marketing*; Vol. 41 Issue 7/8, p765-785, 21p, 1 chart

20. **Hussey Jill and Roger Hussey** (1997) *"Business Research"* (A practical guide) London, Macmillan Press Ltd.

21. **Jankowicz, A.D.** (2000) *"Business Research Projects"* **-**Third Edition London; Business Press-Thomson Learning

22. **Jerry W. Anderson Jr.** (1989): "*Corporate Social Responsibility; Guidelines for Top Management" QUORUM* BOOKS New York + Westport, Connecticut + London

23. **Jonker, Jan** and **Marberg, Angela** (2007): "Corporate Social Responsibility Quo Vadis?" *Journal of Corporate Citizenship*, Autumn2007 Issue 27, p107-118, 12p; (*AN 27680074*)

24. **Karise Hutchinson, Barry Quinn** and **Nicholas Alexander** (2005) "The Internationalisation of Small to Medium-Sized Retail Companies": Towards A Conceptual Framework *Journal of Marketing Management*, Vol. 21 Issue: Number 1-2 p149-179, 31p; (*AN 6848589*)

25. **Keller, Kevin Lane, and Richey Keith** (Sep2006) "The Importance of Corporate Brand Personality Traits to a Successful 21st Century Business" *Journal of Brand Management*, Vol. 14 Issue 1/2, p74-81, 8p, 1 chart, 1 diagram; DOI: 10.1057/palgrave.bm.2550055; (*AN 23521027*)

26. **Keller, Kevin Lane and Aaker, David A.** (1998): "The Impact of Corporate Marketing on a Company's Brand Extension". *Corporate Reputation Review*, 1 (4): 356-378

27. **Mahnert, Kai E. and Torres, Ann M.** (2007) "The Brand Inside": The Factors of Failure and Success in Internal Branding'. *Irish Marketing Review*, Vol. 19 Issue 1/2, p54-63, 10p; (*AN 28748437*)

28. **Majken Schultz, Mary Jo Hatch,** and **Mogens Holten Larsen** (2000): "*The Expressive organisation*" *(linking identity, reputation, and corporate brand)* – UK Oxford University Press -

29. **Melewar, T C and Karaosmanoglu, Elif**. (Sep2006)"Corporate Branding, Identity, and Communications - A Contemporary Perspective". *Journal of Brand Management*, Vol. 14 Issue 1/2, p1-4, 4p; DO: 10.1057/palgrave.bm.2550061; (*AN 23521021*)

30. **Rhee, Noh Jong and Han, Eun Kyoung** (Winter2007) "A New Corporate Identity and Re-Branding Experience Using the SK Brand Management System". *Corporate Reputation Review,* Vol. 9 Issue 4, p271-280, 10p, 5 diagrams; DOI: 10.1057/palgrave.crr.1550030; (*AN 23958194*)

31. **Riley, Michael, Roy C. Wood, Mona A. Clark, Eleanor Wilkie** and **Edith Szivas** (2000) "*Researching and Writing Dissertations in Business and Management"* London Thomson Learning

32. **Schmit, Bernd H. (**1999)**: "***Experiential Marketing*" (*How to Get Customers to Sense, Feel, Think, Act, Relate to your Company and Brands)* Published by The Free Press

33. **Shaun Powell, John M.T. Balmer** and **T.C. Melewar** (2007): "Corporate Marketing and the Branding of the Organisation", *Journal of Brand Management* 15, 1 – 3. doi: 10.1057/palgrave.bm.2550105

34. **Shaun Powell** (2007): "Organisational Marketing, Identity and the Creative Brand" *Journal of Brand Management* 15**,** 41 – 56. doi: 10.1057/palgrave.bm.2550109

35. **Stuart, Read** (Sep/Oct2007) "The Pitfalls Of Corporate ID" *Conference Board Review*, Vol. 44 Issue 5, p12-12, 1/4p; (*AN 27004863*)

36. **Van Riel, Cees B.M** (1995) "*Principles of Corporate Communication*" – London, Prentice Hall

37. **Wiki, the free encyclopedia** http://en.wikipedia.org/wiki/Corporate_branding

38. **Yu Xie, Henry David J. Boggs** (2006) "Corporate Branding versus Product Branding in Emerging Markets" – 'A Conceptual Framework'. *Marketing Intelligence & Planning*; Volume: 24 Issue: 4; Literature review.

Appendix 1

	MAJOR COMPONENTS OF MARKETING	MAJOR COMPONENTS OF CORPORATE MARKETING
ORIENTATION	CUSTOMER: Understanding customer wants, needs, and behaviour	STAKEHOLDERS: Understanding present and future stakeholders' needs, wants and behaviours
ORGANISATIONAL SUPPORT	COORDINATED ORGANISATIONAL ACTIVITIES: Undertake to support customer orientation elicited above	COORDINATED ORGANISATIONAL ACTIVITIES: Undertake to support stakeholder orientation elicited above
END-FOCUS	PROFIT ORIENTATION: Focus on profit rather than on sales (need to be adapted for not-for-profit organisations)	VALUE CREATION: Profit maximisation is a primary but is not the only focus: it also includes business survival as well as tempering the above, where appropriate, in meeting
SOCIETAL OBLIGATIONS	COMMUNITY WELFARE: An obligation to meet customers' and society's long term interests	FUTURE STAKEHOLDERS AND SOCIETAL NEEDS: Balancing current stakeholders and society needs with those of the future.

The major components of marketing and corporate marketing
(Source: appeared in '*corporate identity, corporate branding and corporate marketing: seeing through the fog'* Balmer (2001) and in' *Revealing the corporation*' Balmer and Greyser (2003) P 351

Appendix 2 Genericised Trade names

Some brand names weld enormous influence or have their usages abused that their trade names become genericised over time. Genericised trade names are former brand names, once legally protected as trade names, which have since come to signify a generic product regardless of its manufacturer.

The genericisation of a trade name sometimes results because the trade name is the name of a product protected by intellectual property rights, especially patents. Since the patent gives an inventor the exclusive right to manufacture a product for a period of time, consumers will only know that product by the inventor's trademark and name for the period of the patent. When the patent expires, the inventor's competitors begin producing their own adaptations, but using the inventor's trade name to christen their products because this is the name by which the general public identifies such items. In some instances, when the new entrant gives his product a very unique name, consumers tend to call the new product the same name as the older product.

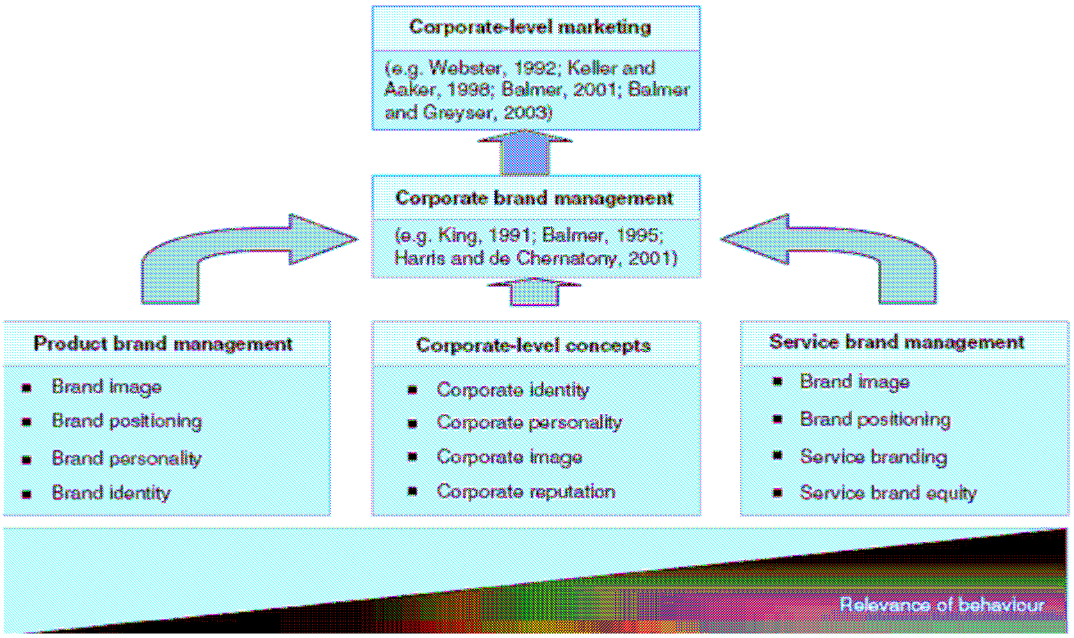
Some patents that lost their trademarks these ways are:
'Cola' - soft drink; genericised part of Coca-Cola;
'Aspirin' – acetylsalicylic acid; still trademarked in many places around the world by BAYER and
'Heroin' - narcotic drug; also originally registered by BAYER as a pain reliever.

Also, the following current trademarks are often used generically:
DHL - to courier something, e.g. I need to DHL this parcel
Omo – detergent registered by UNILEVER
Pampers - disposable nappies for babies
Sellotape - transparent adhesive tape
Vaseline - petroleum jelly
Xerox - photocopy machine. Sometimes used as a verb, e.g. "Xerox two copies for me"
Source: http://leke31.tigblog.org/post/27815

Appendix 3 Concepting

Jan Rijkenberg argues that since the vast majority of companies in any given line of business are using the very same research and marketing techniques and the very same communication means and tricks the competitive edge is disappearing; today we have reached a situation in which investment product innovation no longer no longer strengthens consumers' preferences because their basic expectations of a given product have already been met. Concpeting offers companies a way out: Concepting turns to the development of brands that embody concepts. A concept goes beyond the product or service. Indeed, it is independent of the product or service. A concept is a rubric under which one could find visions, attitudes, convictions, philosophies, mentalities, motivations, 'wavelengths', areas of interest, world views, and indeed whole 'worlds' which the brand elicit. Nike is an outstanding example of such a brand. To the consumer Nike is not simply a training shoe. It is a lot more: it represents an entire mentality – a 'world' of persistence, self-confidence, aspiration and performance. A concept brand doesn't have a target group in the traditional sense of it but has a following.

Jan Rijkenberg: Concepting **(2001)** Creating Successful Brands in a Communications-oriented Era. World Advertising Research Centre (WARC) UK



Integration of concept

Appendix 4 Interview guide - Corporate marketing research

1- How many branches and/or business units does your organisation have?
2- Is your organisational or corporate marketing strategy unique to all branches/SBU?
3- What are the challenges of spreading your organisation worldwide?
4- What are the motives for internationalising your corporate brand?
5- Where does your corporation draw its strength?
   - Financial strengths?
   - Innovation?
   - Managerial resources?
   - International presence?
6- What is the background to the corporation developing into a global brand?
7- How does your corporation build competitive advantage at home and abroad?
8- How does your corporation sustain competitive advantage?
9- What type of corporate marketing strategy does your corporation use for international markets?
10- What factors determine the choice of your corporate marketing strategy in the international market?
   - Stakeholder interest?
   - Corporate image and reputation?
   - Market complexity? (Competition)
   - Marketing cost?
   - Product/service characteristics?
11- Who manages the corporate marketing?
12- How is the set-up for corporate marketing within your corporation?
   - Centralised? - Decentralised?
13- What interested parties are most important for your corporate marketing?
   - All stakeholders?
   - Specific stakeholders? Who?
14- Who has the main responsibility for the corporate reputation?
   - Middle level managers? -All personnel?
15- Does your corporation standardise or adapt the corporate marketing strategy to different markets? How?
16- Is there any strategy in emerging markets?
17- Which stakeholders are important when choosing corporate marketing strategy in emerging markets?
18- What impact has corporate marketing made on your company?
   - Positive impacts? - Negative impacts?
19- How important is corporate marketing to your company?
20- What are the cost advantages / disadvantages of your corporate marketing strategy?
21- Why is corporate marketing important to your organisation?