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The Power of Corporate Branding
by Steven Howard

Every organisation has a corporate image, whether it wants one or not.

When properly designed and managed, the corporate image will accurately reflect the level of the organisation's commitment to quality, excellence and relationships with its various constituents – including current and potential customers, employees and future staff, competitors, partners, governing bodies, and the general public at large.

As a result, the corporate image is a critical concern for every organisation, one deserving the same attention and commitment by senior management as any other vital issue. This is perhaps even truer for new and medium-sized businesses that must grapple for customer attention and the recruitment of financial and human resources without the aid of large communications budgets.

The corporate image is a dynamic and profound affirmation of the nature, culture and structure of an organisation. This applies equally to corporations, businesses, government entities, and non-profit organisations and communicates the organisation's mission, the professionalism of its leadership, and the calibre of its employees.

Everything an organisation does, and does not do, affects the perception of that organisation and its performance, products, and services.

These perceptions affect its ability to recruit the financial resources, people and partnerships it needs to attain its goals and objectives.

This premise has two predominant concerns for companies entering the 21st Century:

- an understanding that the corporate image is a major strategic concern that can have a direct impact on the level of success the organisation achieves through its other marketing and management efforts, and

- an understanding that a coherent corporate image needs to be integrated into the organisation at all levels.

Looked at from a marketing perspective, corporate brand management needs to be an on-going, synergistic management tool, rather than a one-time "corporate image exercise" as currently practised by most organisations and almost all corporate identity consultants.

Corporate image management, therefore, becomes a comprehensive and all-embracing process that internalises a new skill set for managing relationships between constituents at all levels in the organisation. Its goal is to enable sustainable relationship advantages to be developed with key audiences.

Corporate image management focuses on the very heart and soul of the organisation, even to the extent of evaluating why the organisation exists and determining the organisation's key purposes. *It represents one of the highest levels of functional control of the organisation.*

Perhaps more importantly, the corporate brand provides a mechanism for the organisation to:

- differentiate itself from competition,
- create recognised added- value to the products and services marketed or delivered by the organisation, and
- attract and maintain customer relationships in order to prosper in an increasingly competitive and constantly changing global marketplace.

The corporate image also represents the highest level of brand personality and characteristics that can be created and communicated to customers and marketing partners. From both a marketing and management perspective, management of the corporate brand needs to be integrated into the organisation's development at all levels, starting from the top.

The corporate brand comprises all the visual, verbal and behavioural elements that make up the organisation. In many respects, the corporate image should be a dynamic actualisation of the Chief Executive Officer's vision, integrated with the corporation's mission and strategic plan.

It should be thoroughly planned and constantly managed in order to support and sustain the corporation's mission. If managed effectively, it should protect the organisation against competition from new competitors or from current competitors offering new products and services. Unfortunately, this is usually not the case.

The corporate image combines the organisation's self-perceptions with those of its constituents. It is the *raison d'être* of the corporate body and gives direction and meaning to the whole enterprise. Thus, management of the corporate image should be a primary concern of the Board of Directors, the CEO and the senior management, working in conjunction. Again, unfortunately, this is usually not the case.

In today's world of deteriorating product brand power, rising perceptions of parity products, reducing employee loyalty, and increasing competition, the corporate brand image has taken on renewed importance in management and marketing processes. A weak or strong corporate image can make a significant difference in terms of a company's sales volume and its stock price. It will also affect the marketability and acceptability of the company's products, services and human resources.

A strong corporate image is obviously better than a weak image, but most important of all, from a marketing perspecive, is the need to communicate and to deliver through action a clear, concise and consistent image to all target audiences. Having a coherent corporate image can make a significant competitive difference in marketing results, recruitment expenses, staff morale, employee turnover, and share P/E ratios.

The corporate *identity* is the visual representation of the company and should not be confused with the corporate *image*. This visual representation usually takes the form of a corporate signature and a corporate symbol or logo. These distinguish graphically the corporation from its competitors, and positions the enterprise visually in the marketplace through a consistent use of typeface, colour palette and logo identifier.

Previously, a company's visual identity system was sufficient to project and protect the image of the organisation. Today, all aspects of the corporate image need to be managed, from the refinement of the mission statement to how well the staff on the front-line understand, communicate and portray this mission.

Management of the corporate image integrates the corporate culture with the process of managing and it requires the best leadership, communication and training skills the organisation can muster.

Corporate image management entails the creation of a corporate language, behaviour patterns, symbology, traditions and a dialog that focus on an appropriate expression of the company. This dialog matches the expectations and understanding of both customers and employees about what the organisation stands for, where it is heading and what its core strengths, traditions and principles are.

It also develops relevance within every single aspect of the company, its products and its services, and results in perceptions that become the key to long term success. In a way, corporate image management is the purest definition of total quality management: if everything has relevance to the company or to its customers, then nothing retained is wastage.

Development and management of the corporate brand is one of the most potent tools available for senior executives to use in ensuring the viable execution of the corporate vision. Not only does the corporate image management process provide senior management with the highest level of functional control of the organisation, it also provides one of the most powerful strategic marketing weapons available in the corporate arsenal.

Progressive corporate leaders will use this new management and marketing discipline to drive their organisations forward in victory in today's and tomorrow's marketing battlefields.

The underlining principle of this discipline is simply this: **if it touches the customer, it's a marketing issue™** .

Nothing touches the customer more than how he or she perceives your corporate image.

This fundamental perception will be the major factor that determines whether the customer will decide to conduct business with you and, more importantly, enter into a long-term and mutually rewarding relationship with your organisation.

There may be no greater marketing issue than corporate image management in today's increasingly competitive markets. In short, corporate image management will be a key marketing discipline well into the next century.

The ultimate battleground for winning and maintaining customer relationships now takes place in the minds, hearts, emotions and perceptions of the customers.

The Author

Steven Howard is a Melbourne-based marketing consultant, author, conference speaker, and Non-Executive Director in both the profit and non-profit fields.

Visit his web site, www.howard-marketing.com *for valuable information and links on marketing, customer retention, branding, and corporate image management or to sign up for his free weekly newsletter* The Monday Morning Marketing Memo *and his marketing blog.*

He is a positioning specialist, whose 30-year marketing and sales career in Asia and Australia has covered a wide variety of fields, ranging from consumer electronics to publishing and from a national airline to personal financial products.

He is President of Howard Marketing Services, which provides consultancy and project management services in the areas of Marketing Management, Product Development, Positioning Strategies, Customer Retention Strategies, New Product Launches, Event Management and Brand Management.

He consults on a regular basis to companies in the financial services, industrial products, consumer products, restaurants, petroleum, publishing and hospitality fields.

Contact details
Phone: (61-3) 5428-1388
Fax: (61-3) 5428-1399
E-mail: steven@howard-marketing.com
Website: http://www.howard-marketing.com
Blog: http://www.howard-marketing.com/marketingblog

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