Chapter 4: Corporate marketing

4.1 Introduction

The corporate marketing of an organisation and the elements (constructs) that have an impact on corporate reputation will be the focus of this chapter. The relationship of corporate marketing to the other business processes and corporate reputation is illustrated in Figure 4.

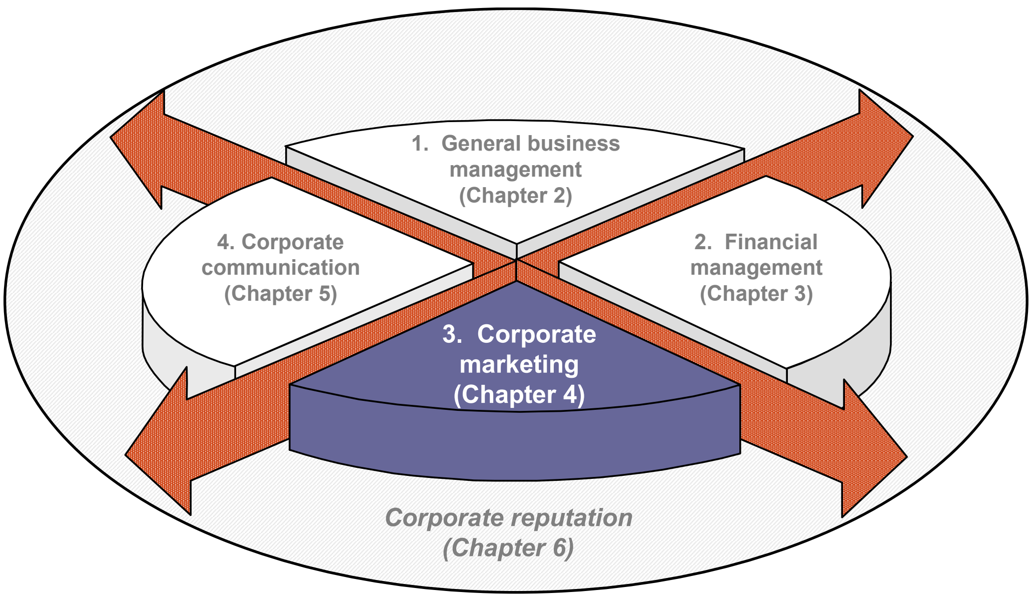


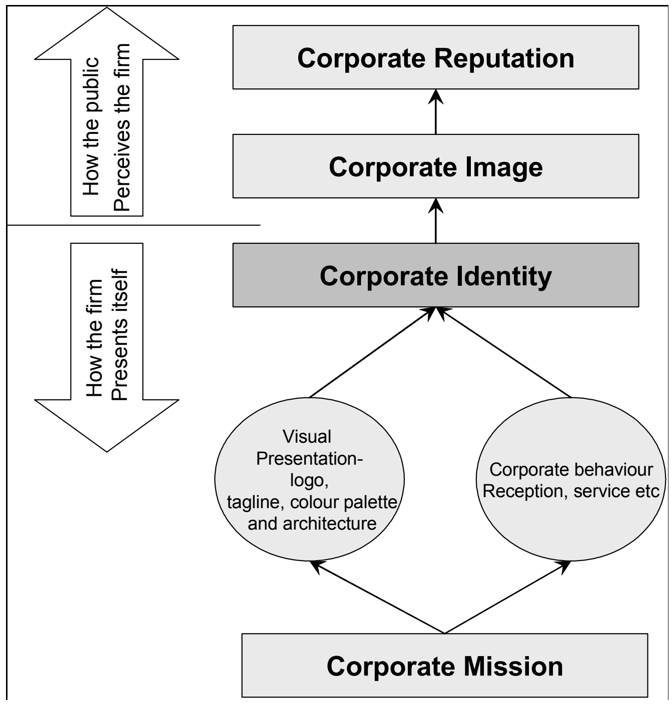
Figure 4 Corporate marketing in relation to corporate reputation

Marketing, according to the American Marketing Association in Belch and Belch (1999:6), is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organisational objectives. Van der Walt *et al.* (1996:8) declare that these four variables can be referred to either as the marketing instrument or marketing mix.

Corporate marketing is driven to a certain degree by financial management, as the budget for marketing is prescribed by the financial aspects of an organisation. This chapter focuses specifically on corporate identity and corporate image, which culminate in corporate brand. Only three of the four “P’s” of the marketing mix have been taken into consideration for the purposes of this study, namely product, price and promotion. In terms of products and services, the quality, flexibility and innovativeness of these are discussed; pricing is discussed in terms of the value of offerings and the section on promotions focuses on integrated marketing communication. There are many elements that are related to corporate marketing, but only the ones listed above will be explored for the purposes of this study.

4.2 The corporate identity of an organisation

According to Abratt in Christensen and Askegaard (2001:295) and Bromley (2001:316), corporate identity is that set of attributes that enables an audience to recognise and distinguish one organisation from another, especially homogeneous organisations. The figure below, Figure 5, illustrates how corporate identity relates to corporate image and corporate reputation.



Source: Westcott (2001:173)

Figure 5 Relationship between corporate identity, image and reputation

Westcott (2001:173) describes the corporate mission assumed in Figure 5 as the organisation's philosophy. This philosophy is personified through the visual presentation of the organisation as well as the behaviour of the organisation; these two complementary parts form the corporate identity. These two elements - the corporate mission and the corporate identity - make up the lower half of Figure 5, which encompasses the presentation of the organisation in all instances. Van Heerden and Puth (1995:13), Bennett and Kottasz (2000:225) and Christensen and Askegaard (2001:295) agree that corporate identity relates to the self-presentation of an organisation and thus consists of the cues that it offers via its symbols, communications and other signals. Every organisation has a personality, which can be defined as a set of characteristics - behavioural and intellectual - which serves to distinguish one institution from another. It should be noted that behavioural cues could be projected unintentionally through inadequate internal and external communication, client dissatisfaction and low employee morale and performance. These corporate identity cues create a set of beliefs, experiences, feelings, knowledge, attitudes and perceptions about the institution in the minds of different stakeholders.

Davies, Chun, da Silva and Roper (2001:114) add that identity is taken to mean the internal; this implies the employees' view of the organisation. The image according to Bernstein in Davies and Chun (2002:147) is taken to mean the client's perception of the corporate brand. Their definition contrasts with definitions that equate corporate identity with factors such as corporate design and logos. To Margulies in Christensen and Askegaard (2001:301) identity means the sum of all the ways an organisation chooses to identify itself to all its publics, namely the community, clients, employees, the press, present and potential shareholders, security analysts and investment bankers.

The next section will focus on the two specific elements of corporate identity as described by Westcott (2001:173), namely organisational behaviour and the visual presentation of the organisation with specific focus on corporate logo and the location of the organisation's head office.

4.2.1 Organisational behaviour contributes to corporate identity

Organisational behaviour will be discussed in relation to an organisation's corporate culture. Wasmer, Bruner and Gordon (1991:37) declare that top management is the most important role model for developing a strong corporate culture. Grunig (1992:236) states that employees of excellent organisations share a sense of mission. They are integrated by a strong culture that values human resources, organic structures, innovation and symmetrical communication.

Deshpande and Webster (1989:4), Wasmer *et al.* (1991:38), Steyn and Puth (2000:56), Christensen (2002:164) as well as Schein in Kowalczyk and Pawlish (2002:166) characterise corporate culture as a set of shared values, which conveys symbolic means such as stories, myths, legends and anecdotes. These characteristics are artefacts forming the core identity of the organisation, which underlies the values, beliefs, assumptions and feelings shared by the members of the organisation. These shared values and beliefs help individuals to understand the functioning of the organisation. Corporate culture usually involves goals of the organisation, the preferred means to reach the goals, the expected behaviour patterns of employees and a set of principles that maintains the identity and integrity of the organisation. The values that make up corporate culture are seldom written down.

Davies *et al.* (2001:116) state that in literature on organisational behaviour it is not uncommon to read about an organisation having a personality. This personality manifests energy and adds to the importance of organisational behaviour. An organisation has its own traits, habits and attitudes that become familiar to its stakeholders. The organisational personality may be seen as an extension of the concept of corporate culture.

As stated by Wasmer *et al*. (1991:37) and Gotsi and Wilson (2001:102), corporate culture building makes use of both internal and external communication. This suggests that communication in all of its forms is a critical element in corporate brand building. In order to ensure that the organisation is internally projecting values that are consistent with the desired external image; organisations need to align their internal communication activities and human resource management practices with these brand values. Since organisations are increasingly recognising their employees as an important audience in corporate reputation management, they should include their employees in their corporate communication activities to ensure that they are "living the brand" consistently on a daily basis, across functional areas, divisional boundaries and geographical markets so as to ensure that a consistent message gets across to all the stakeholders. Recruitment and selection processes also play a major role in the reputation management process. This is to ensure that the right people whose personalities and skills fit the organisation's brand values join the team.

Gofton in Gotsi and Wilson (2001:99), Harris and De Chernatony (2001:442), as well as Davis and Dunn (2002:221), all agree that building a brand-based culture is not just about creating short-term buzz. It is also about developing a genuine and continuous commitment to the organisation's brands.

4.2.2 Visual presentation of the organisation influencing corporate identity

Van Heerden and Puth (1995:13), Bennett and Kottasz (2000:225) and Christensen and Askegaard (2001:295) agree that corporate identity relates to the self-presentation of an organisation and thus consists of the cues that it offers via its symbols, communications and other signals. The organisation's logo as well the location of corporate head office will be the focus of this section.

- **Organisation logo**

  Gary and Smeltzer (1985:73) comment that some organisations are addressing the concept of identity by changing their logos. Such has been the influence of graphic design that it has almost become axiomatic that any change of corporate identity will have an attendant change of visual identity. However, whereas a visual audit may reveal symptoms of inherent corporate malaise, many organisations fall into the trap of resorting to the initiation of a new visual identity as a means of correcting what may be profound organisational difficulties. This suggests a degree of naivety on the part of senior managers and consultancies in failing to differentiate between the causes and the symptoms of poor corporate identity.

  Balmer (2001:250) comments on the importance accorded to graphic design in the corporate identity literature. Some writers with backgrounds in marketing and communication have accorded symbolism the same importance as other corporate identity elements such as behaviour. The emphasis given to graphic design in corporate identity studies has been perpetuated by many so-called corporate identity consultancies that are to all intents and purposes, graphic design consultancies. This has had the unfortunate effect of stifling a broader, more sophisticated and scholarly appreciation of corporate identity. What is not refuted by the author is that visual identification does, unquestionably, have power.

Gary and Smeltzer (1985:73) and Bromley (2002:319) note that an organisation's visual identity is assumed to be a very important aspect of corporate communications. Logos may express an organisation's internal identity in terms of how its leaders conceptualise it, rather than its external image, which is how the organisation is perceived by others outside the organisation. Included in the contextualisation of a logo are the tangible and intangible elements that make any organisation distinct. Gray and Balmer in Goldberg *et al.* (2003:173) note that a perception of a thriving organisation may be based on an attractive logo.

- **The location of the organisation's head office**

Gary and Smeltzer (1985:73) note that a building gives a message about what the organisation does, how it works, and what it believes in. Architecture has therefore increasingly played a larger role in the projection of corporate identity. Gray and Balmer in Goldberg *et al.* (2003:173) state that a perception of a thriving organisation may be based on luxurious offices, location in an upscale neighbourhood and the professional demeanour of representatives of the organisation.

Jarmel (2003:20) mentions that in all stages of the design process, corporate culture, marketing and branding are intertwined with the creation of individual products. Therefore the same principles need to be applied when it comes to designing facilities, such as an office. An organisation's brand positioning strategy has a dramatic impact on the design of its estate. Large and small organisations alike use the design of their offices to convey a positive image, which they aim to communicate to their employees, shareholders, clients and peers. With the design of office space, most organisations want to impart a certain type of culture and corporate story. The author suggests that technology-based organisations, such as those based in the IT industry, need to convey a cutting edge mentality and image, often leading to a more modern, deconstructionist style incorporating brighter colours and metals.

The corporate image of an organisation emanates from its organisational behaviour and visual presentation. Corporate image will now be explored further.

4.3 Corporate image of an organisation

Easton (1966:168), Gary and Smeltzer (1985:73), Bickerton (2000:42) as well as Christensen and Askegaard (2001:295) summate that the corporate image is based on the collective impressions of all the stakeholders of the organisation. These impressions are derived from an organisation in its surroundings, such as an individual's personal contact with the organisation, hearsay, mass media, communication media and psychological predispositions not controlled by the organisation.

According to Davies *et al.* (2001:114), image is taken to mean the view of the organisation held by external stakeholders. Ettorre (1996:36) and O'Connor (2001:59) acknowledge that there are many factors to consider when examining a corporate image, as it is very complex. The cross-functionality needed to sustain the good reputation of corporate identity is central to management. Put simply, a client may be delighted with a product but may find the marketing material, the sales technique, the billing mechanism or the after-sales care substandard. Reputation is a problem for all managers from human resources departments to finance offices.

Dowling in Gotsi and Wilson (2001:24) considers corporate image and corporate reputation to be identical; image is defined as the total impression of the organisation. However, Bennett and Gabriel (2001:425) as well as Westcott (2003:173) argue that corporate image concerns the knowledge, feelings and beliefs about an organisation that exist in the thoughts of its audiences. A powerful image carefully crafted via an effective corporate identity programme, advertising and public relations might not be matched by a sound and cogent reputation. An image can be created relatively quickly; whereas a reputation needs to evolve over time. It could, however, be stated that corporate image contributes to corporate reputation.

Gary and Smeltzer (1985:73) and Gray and Balmer in Goldberg *et al.* (2003:173) state that management, focusing on image management, is able to build a positive reputation by investing in symbols of quality and indicators of a successful organisation. A strong positive image with the general public is regarded as being strategically beneficial. With respect to the IT industry, a greater public awareness of the organisation's existence may be obtained through public relations releases and advertisements and by participation in international exhibitions, such as software exhibitions. Marketing an organisation's software with attractive packaging and well-written instructions creates the impression of a quality product. A weak or negative image perceived by any of the organisation's publics indicates either an inappropriate strategy or failure to communicate that strategy effectively. If the client stakeholders develop a negative perception of an organisation and its products, sales are likely to be depressed. The image that each of these stakeholder groups has of the organisation will affect its willingness to support the organisation or withhold support.

Mastal (2001:57) comments that image may not be everything; a good image does however help the share price and attract employees. Richardson and Bolesh (2002:54) add that reputable organisations protect their corporate images by maintaining high standards of practice no matter what the circumstances. The most admired organisations use a combination of transparency, strong ethics and a commitment to quality products and services to build and maintain their reputations.

The combination of corporate identity and corporate image fuses into corporate branding.

4.4 Corporate branding of an organisation

This section will define branding and focus on more specific aspects such as the "living the brand" ethos of brand-driven organisations as well as brand equity.

Lam (2003:13) states that the brand communicates who the organisation is. De Chernatony (2002:117) adds that a brand is a promise to stakeholders, enabling them to appreciate rapidly how the brand can enhance their experience. In addition Parry (2003:5) and Ritson (2003:16) state that branding is about the ownership of ideas: giving clients a new way to think about things, and in the process transferring the values of this experience to a situation or commodity. Typically, when marketers talk about branding, they are referring to the unique identity of a product or service that enables clients to distinguish it from competitors.

Sellers (2002:38) mentions that generally the word brand makes people think logo, tagline, even advertising. But a corporate brand is much more than that. A brand is the collective perception of an organisation based on client experience. The aggregate of those experiences accumulates over time, creating an overall perception in the minds of everyone who encounters the brand. That perception generates a set of expectations, which the brand must live up to. A brand needs to be developed over time through a four-step process: intelligence gathering, brand strategy, communication and management. The first phase of intelligence gathering involves gaining understanding and insight into the corporate brand and provides the foundation and information necessary to develop the brand strategy. The second phase defines the true essence of a brand's promise, personality, attributes, and messages. The strategy must be based on reality and reflect the organisation's true character. It must be true of the organisation's current equities but aspirational enough to provide room for growth. The strategy provides a single source of differentiation, guides the development of brand expressions, and acts as a touchstone for decision-making. Communication, the third and most visible phase in the process, brings the strategy to life. It is the creation and execution of all expressions of the brand to the internal and external stakeholder. It must convey both the purpose and the personality of the organisation clearly and consistently. The final phase, management, is a long-term initiative, requiring commitment, time and intellect, as well as the infrastructure to measure, support and protect that brand to ensure a significant return on the organisation's corporate image investments.

Peklo (1995:30) comments that the worst mistake a brander can make is to try to appeal to all people. However, Mitchell in Harris and De Chernatony (2001:443), Hallawell in Davies and Chun (2002:144), LePla and Parker (2002:02) as well as McNaughton (2003:13) all agree that any corporate brand needs to appeal at an emotional level to both internal and external stakeholders. Different stakeholders may have different perceptions of the corporate brand.

Harris and De Chernatony (2001:441) suggest that corporate branding requires a holistic approach to brand management, in which all members of an organisation behave in accordance with the desired brand image. Mitchell and Urde in Bickerton (2000:42) concur that the corporate brand must be viewed as both an organising proposition that helps to shape an organisation's values and culture and as a strategic tool of management which can guide the organisational processes that generate and support value creation.

Ritson (2003:16) notes that a good product brand helps with self-identification, identification of needs and image. Brand building associates a product with values and meanings that the target audience can aspire to. Once clients identify with a product, they will be willing to pay more to maintain that affiliation. The product will no longer be considered a commodity. Good brands can create the illusion of luxury and people pay extra for luxury items. Lam (2003:13) asserts that personal branding can increase mindshare among stakeholders as much as branding for products can increase market share. The brand leverages the power of clear non-verbal messages and helps determine the verbal messages the organisation wants to convey. Personal branding allows the organisation to speak with authenticity.

There are two important factors of branding that will be explored further, namely "living the brand" and brand equity.

4.4.1 "Living the brand" through integrated branding

Einwiller and Will (2002:1002) and LePla and Parker (2002:31) agree that the more an organisation's actions are conveyed through behaviour, communication and symbolism, which reflects its underlying brand strengths, the more integrated the brand will be. Integrated branding is an organisational strategy used to drive organisation and product direction, where all actions and messages are based on the value the organisation brings to its line of business. In other words, it means that everything is in line, namely the product's industrial design, the way the telephone is answered or e-mail responded to, the quality of paper of a direct mail piece and even the not-for-profit organisation to which it donates. By focusing actions and messages on organisation and product strengths, an organisation is much more likely to create a deep, long-lasting relationship with each of its clients. At the heart of any organisation is the promise that it makes to its clients. Organisations keep their promises by understanding their brands and acting on that understanding in every endeavour. That promise is carried out by people at all levels of the organisation, from the CEO to the line worker, so that integrated branding is much more than a communications strategy or set of messages. When the brand promise meets clients in an integrated way, through products, services, communications and culture, it produces unique and valuable client relationships. An integrated brand is only as strong as the people who live it. Harris and De Chernatony (2001:441) affirm that corporate branding requires a holistic approach to brand management, in which all members of an organisation behave in accordance with the desired brand image. Lam (2003:13) reiterates the importance of "living the brand".

Aaker in Harris and De Chernatony (2001:442) asserts that the brand's emotional characteristics are represented by the metaphor of personality, which, among other sources, evolves from the brand's core values. Managers need to ensure that a brand's personality is conveyed consistently by both its employees and external communications.

Schultz and De Chernatony (2002:106) claim that employees are often regarded as executors of brand communication. In corporate branding; the attitudes and behaviour of employees play a central role in brand delivery. For employees to fulfil their role in bringing brands to life more effectively, they will have to be more aware of their brands' values. Capitalising on employees as critical stakeholders will be high on managers' agendas for the next few years. Barrett in De Chernatony (2002:113) adds that the new focus is no longer just on defining an externally centred promise, but also considers whether and how employees can be orchestrated to be genuinely committed to delivering the promise of integrated brands. De Chernatony (2002:124) notes that one of the problems with corporate branding programmes is that employees see them as "one-off" activities. The management team needs to work continually with its employees to reinforce the principle of what is acceptable "on-brand behaviour" and unacceptable "off-brand behaviour".

4.4.2 Brand equity

Doyle (2000:62) indicates that for many organisations, it is clear that most of their market value derives from the earning power of their brands. Brands are enormously valuable assets but as yet they do not appear on the balance sheet. The brand equity is defined as the net present value of the future cash flow attributable to the brand name. Lam (2003:13) agrees that a personal brand ensures that an organisation is consistent - reliably the same in all situations, which creates trust. Brand equity therefore arises from the trust that clients place in the organisation's brand. This trust creates a relationship between the brand and the client that encourages preference, brand loyalty and willingness to consider the new products and services that the organisation may offer in the future under its brand name. There is clear evidence that strong brands create value for shareholders as well as for clients.

Davis (2002:351), Davis and Dunn (2002:16), LePla and Parker (2002:34) and Mazur (2002:18) concur that besides adding to margin, brand has an impact on an organisation's bottom line through increased sales. Integrated brands have created a promise that clients believe from past experience of particular aspects of quality, service and commitment to the category. These higher margins translate into greater shareholder returns. Nelson and Vogler (2002:32) agree that the most successful brands own carefully selected positive attributes in order to create a bond with their clients and to command a price premium.

Another important asset of an organisation is the tangible one, namely the product and service. This will be the first of the four "P's" of the marketing mix to be discussed in the following sections.

4.5 Products and services of an organisation

The first "P" of the marketing mix to be discussed will be the organisation's tangible asset in terms of the product and service. For the purposes of this study, specific focus will be placed on services opposed to product, as the organisation used for this study is a services-orientated organisation.

LePla and Parker (2002:04) explain that when an organisation is brand-driven from the beginning, it is able to leverage all the skills of all workers in a direction that makes best use of their strengths. This process provides immediate strategic direction for product and service development. An organisation that builds products that correspond more exactly to its strengths builds value, trust and loyalty among clients far faster than the competition.

The aspects to be discussed in terms of product and services will be quality, flexibility and innovativeness.

4.5.1 Quality of products and services

According to Grunig (1992:243) total quality is a priority not only in words or in the organisation's philosophy statement but a priority when actions are taken, decisions are made or resources are allocated. The extent to which an organisation pays attention to quality is a characteristic of excellence provided by the total quality movement.

Van der Walt *et al.* (1996:172) note that from a marketing point of view, a product in the broadest sense can be defined as a collection of need-satisfying utilities, offered to a market so that the market can pay attention to it, buy it or consume it. Physical objects, services, personalities, places, institutions and ideas are all products.

Lesle and Sheth in Durvasula, Lysonski and Mehta (2000:434) note that over the last decade, service organisations have identified quality as a driving force in the success of their organisations and in developing a sustainable competitive advantage. Services are different from tangible products, as they are produced and consumed simultaneously and the delivery of the service is often inseparable from the employees that provide it. While it is impossible for service organisations to provide flawless service delivery in every transaction, the way an organisation responds to a client's post-consumption dissatisfaction may have a crucial impact on retaining the client and lead to positive word-of-mouth and referrals for future business. Edvardsson in Durvasula *et al.* (2000:442) suggests that if quality service is to be rendered, the following are necessary: the employees must be quality driven, be considerate to existing clients, attentive to signs of dissatisfaction among clients and discover quality defects before the client complains. The employees should make complaining easy.

Richardson and Bolesh (2002:54) state that reputable organisations protect their corporate images by maintaining high standards of practice no matter what the circumstances. The most admired organisations use commitment to quality products and services to build and maintain their reputations.

Goldberg *et al.* (2003:174) comment that public certification of product quality, especially within the IT industry; can be sought from accrediting agencies, assistance obtained from prestigious product development funds and prizes won at international software competitions. Marketing an organisation's software with attractive packaging and well-written instructions creates the impression of a quality product.

4.5.2 Flexibility of products and service offered

Haller and Boyd (1981:67) state that segmentation strategies can improve the product market matrix. Rather than appear as a haphazard chaser after new product ventures, the organisation that pursues a coherent, calculated programme of segmentation development might create a better image for itself than its less strategically orientated competitors.

With specific reference to the IT industry, Teece in Goldberg *et al.* (2003:172) observes that software products are particularly difficult for buyers to evaluate properly because they are conceptual entities with no physical properties. In most cases, the user must first become familiar with the software before making a judgment, and even then, it is difficult to consider all virtues of the product. A positive reputation, possibly based on strong relationships with pre-eminent organisations in the industry, may be crucial for buyers who will become dependent on a particular organisation's software.

4.5.3 Innovative products and services within an organisation

There are clear advantages to the dynamic exploitation of available assets in the rapidly changing software market, according to Barney in Goldberg *et al.* (2003:173). A contemporary option, according to the author, is capitalising quickly on new opportunities, allowing an organisation with an imperfect product nevertheless to capture a substantial share of a developing market and to contribute to the visibility and legitimacy of the organisation. In the short-term, investors will be pleased with speedy shipments of initial products and an early cash flow and as a result they may provide the additional capital necessary for greater financial independence. In contrast, Porter in Goldberg *et al.* (2003:173) emphasises that it would be of greater benefit for an organisation to consider a long-term investment in core competencies to strengthen the organisation's functional activities and develop a unique product based on innovativeness and quality.

Crawford in Avlonitis and Papastathopoulou (2000:27) believes that establishing a programme for developing new products may be the most profitable growth strategy compared to mergers, acquisitions or joint ventures. In addition Craig and Hart in Avlonitis and Papastathopoulou (2000:27) declare that innovation is a necessity instead of a strategic option, which is particularly true as organisations face an increasingly turbulent external environment, shorter life cycles, industry maturity and eroding margins, as well as the ever-quickening pace of technological advances.

Davis and Dunn (2002:17) claim that strong brands allow for greater new product success because of the implied endorsement. Strong brands lend immediate credibility to new product introductions. A brand can further its value by extending to sub-brands and endorsed brands.

However, Booker (2002:8) states that there has always been tension between corporate brand and product marketing proponents, as an economic downturn tends to push organisations toward short-term, tactical choices that maximise revenue. Slashing research and development or business development budgets also belongs in this category. These expenses lose in an equation in which future assets such as “an innovative product” or “a familiar brand” are much more difficult to quantify than current assets such as “sales in the pipeline.”

Goldberg *et al.* (2003:171) identified the necessity to develop core competencies, according to which management follows a long-term perspective, undertaking significant investments in a build-up of internal capabilities. The organisation constructs a good name through marketing of innovative quality products with high product value and good servicing.

4.6 The value of offerings

As stated by Van der Walt *et al.* (1996:306), price is the only element which produces income. It has the most immediate and direct impact on an organisation’s profitability. Organisations need to be sensitive to the price expectations of the specific stakeholders. Factors that influence the price decision of the organisation are clients, the authorities and competitors. Price does not function in isolation.

Doyle (2000:295) asserts that it is not enough for an organisation to produce a good product; it also has to communicate its values effectively to potential clients. The organisation has to invest in communication to make people aware of the product, with specific emphasis on the value of what is offered.

Davis and Dunn (2002:17) concur that there are definite benefits tied to leveraging the brand more effectively, namely that strong brands allow for premium pricing versus competitive products and strong brands give an organisation protection against price wars, which leads to a strong corporate reputation.

Alsop in Nakra (2000:36) states that product quality, innovation and good value are all keys to a good reputation in an industry.

4.7 Promotions of an organisation

Once there is an understanding of products and services and the value of these, it is necessary for the organisation to determine how to promote them successfully to the specific target audiences. The final "P" of the marketing mix to be discussed will therefore be promotion. This section will specifically investigate integrated marketing communications and the media.

4.7.1 Integrated marketing communications

The traditional view of promotion as part of the marketing mix is that an organisation has various promotional tools to persuade a target audience to purchase a product or service. However, Belch and Belch (1999:9) note that during the 1980s many organisations came to see the need for a more strategic integration of their promotional tools. These organisations began moving towards the process of integrated marketing communications, which involves co-ordinating the various promotional elements and other marketing activities that communicate with an organisation's clients. A task force from the American Association of Advertising Agencies developed one of the first definitions of integrated marketing communications. They state that it is a concept of marketing communications planning that recognises the added value of comprehensive planning that evaluates the strategic roles of a variety of communication disciplines, for example general advertising, direct response, sales promotion and public relations. When these disciplines are combined they provide consistency and maximum communications impact on various stakeholders, hence integrated marketing communication.

Van der Walt *et al.* (1996:305) and Dowling in Christensen and Askegaard (2001:306) explain marketing communications as being interpreted as an attempt by the organisation to project its ‘ideal self-image’ to both internal and external stakeholders.

Van der Walt *et al.* (1996:317) claim that advertising is the most important element of a business marketing communication strategy. Advertisements reach masses of clients with only one marketing communication message. Therefore it is no surprise that South African organisations pay millions of rands annually to reach the mass market with messages about their products. Advertising’s purpose is not only to convey factual information; on the contrary, advertisers must persuade potential clients to buy, and often remind them to buy again. However, LePla and Parker (2002:22) advise organisations to guard against confusing advertising campaigns with the brand. Advertising is an effective way to communicate brands, but it is not the basis for communication. Advertising cannot facilitate the integration of action and message. An integrated brand creates differentiation, deepens client relationships at all levels of an organisation and puts everyone on the same page regarding the actions and messages being presented to clients.

4.7.2 The media

Morsing and Kristensen (2001:25) state that the media’s role in communicating a corporate brand has not gained any significant attention in literature on branding. Emphasis has been on the content of the corporate brands and how these brands are designed and communicated to the organisations’ outside world by top management, communication or marketing departments. It is argued that the media hold the potential to exceed traditional ambitions of corporate branding strategies, namely to build an image among external stakeholders. The media introduce a further ambition of simultaneous communication to another significant stakeholder in corporate branding strategies: managers and employees. The business media play a significant role in furnishing modern organisations with a day-to-day self-description. A newspaper article may have an immediate impact on an organisation's reputation, its shareholder value and its trustworthiness, etc. The business media are a strong and effective communicator to organisational members who usually read about their own workplace with particularly keen interest. Involving the business media immediately brings organisational identity issues to the fore, as employees are strongly prejudiced selective readers, whose motivation and engagement may be provoked by the media.

Trade media focus extensively on industry-specific, technical and product-related articles, whereas business media focus more on the financial side of an organisation and general business practice.

Hanson and Stuart (2001:132) suggest that the manner in which the media portray events is more relevant for organisations than ever before. The fact that mass media play a major role in social issues and social change in the way they frame events is the essence of the notion of media framing. Media framing, therefore, creates meaning over time. Journalists pay heed to public concerns when writing, while individuals in society construct their own meaning out of their experience of a world that includes significant elements of media reporting. Morsing and Kristensen (2001:24) suggest that the more subtle and unpredictable shifts between themes in the media play a significant role in the shaping of a strong corporate brand. Pruzan (2001:51) asserts that throughout the world the media keep a wary eye on corporate behaviour and zoom in sharply on suspected corporate misdeeds; the television news' guillotine and the Internet are ever ready to defame business leaders who are accused of unethical behaviour. They provide clients with information which enables them to make purchasing choices that are based not only on traditional parameters such as price and functionality, but also on matters such as how and where the products and services are produced and what the reputation of the organisation producing them is.

There is an impact of the breakdown of the internal and external barriers of an organisation, as described by Hatch and Schultz in Hanson and Stuart (2001:132), which implies that there is increasing pressure on organisations to respond to external pressures. Society's expectations have changed; people are becoming increasingly disillusioned with governments and are therefore looking to organisations to fulfil their expectations. The media have responded to this trend by becoming a 'watchdog' of organisational reputations and their framing of events is of particular significance. People expect more from organisations in terms of representing their aspirations and taking social responsibility. The media have grasped the importance of these trends as the basis for newsworthy items, framing their stories about organisations accordingly.

Schultz and De Chernatony (2002:110) comment that owing to the rich variety of interactions between stakeholders, it is difficult for managers to protect their corporate brand against the potentially harmful impact of gossip and erroneous inferences. In the bricks and mortar environment, conversations are notably influenced by the interactions between the linkages of organisation to media to clients. Wilson (2003:16) states that the opinion formers need to be managed as this group has an influence on corporate reputation. While some may believe that the media are the most influential opinion formers, in many cases they are not particularly influential in the long term. Perhaps the most critical stakeholder in rebuilding corporate trust will soon be employees. Donlon (1998:50) adds that CEOs should take nothing for granted particularly concerning their employees, as it is suggested that this is where the news media look first for ammunition when attacking an organisation or its products.

4.8 Conclusion

With specific reference to the IT industry, software products are particularly difficult for buyers to evaluate properly in terms of quality and value, because they are conceptual entities with no physical properties. Public certification for these products' quality can be sought from accrediting agencies, assistance obtained from prestigious product development funds and prizes won at international software competitions. Marketing an organisation's software with attractive packaging and well-written instructions creates the impression of a quality product. The product quality, innovation and good value are all crucial to a reputation within any business industry.

In conclusion, it is clear that there are several elements within the corporate marketing realm that influence corporate reputation. However, not every one of the elements has the same impact. It is also important that these elements are not viewed in isolation, but viewed holistically in terms of the other business processes. Corporate marketing is very closely related to corporate communication, which will be discussed in Chapter 5.