

Exploring Public Relations and Management Communication

Fifth Edition

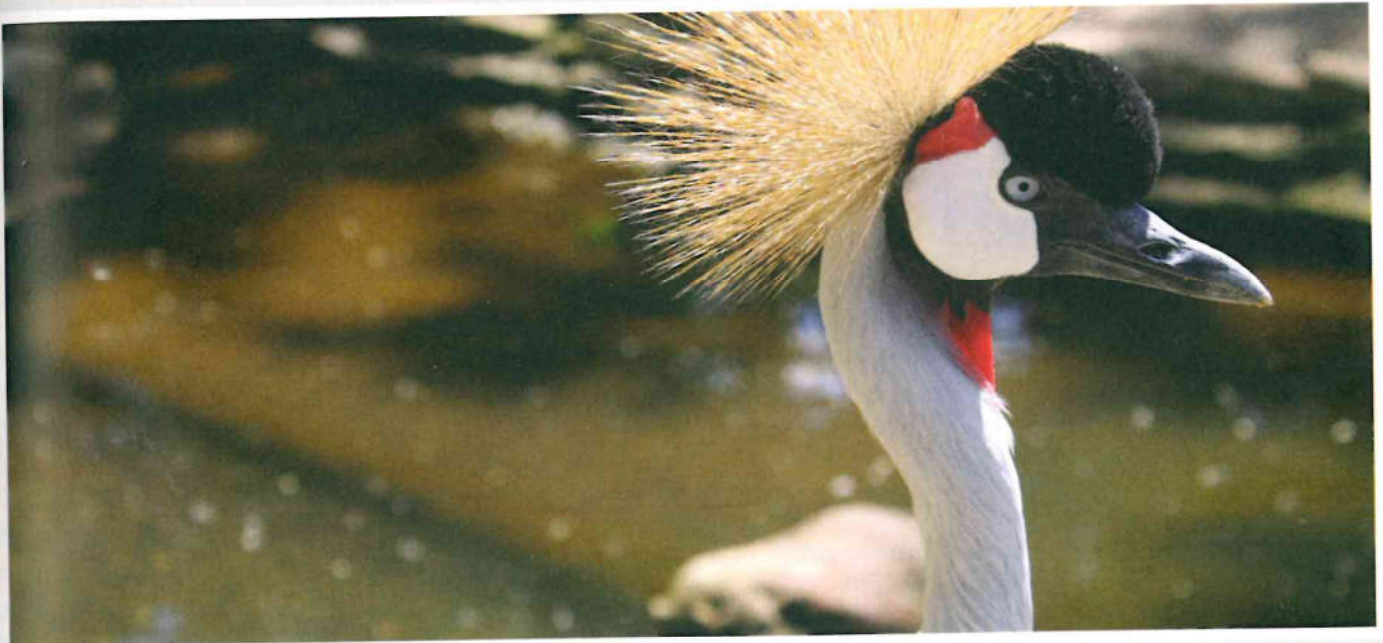


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Corporate communication



Source: Barbara Brockhauser/Shutterstock

Learning outcomes

By the end of this chapter you should be able to:

- define what corporate communication is and explain key concepts associated with it
- understand the convergences and divergences among corporate communication, public relations, integrated marketing communication (IMC) and organisational communication
- contextualise the strategic role of corporate communication in the societal and organisational environments
- conceptualise 'consistency' and 'integration' as key drivers for corporate communication strategy
- understand how corporate communication can help to build and to sustain intangible values such as reputation, image, identity and legitimacy.

Structure

- Defining corporate communication in theory and practice
- The role of corporate communication in society
- The role of corporate communication in organisations
- Corporate communication and intangible assets
- Coordinating all forms of communication

Introduction

Since the second half of the twentieth century corporate communication has appealed to professionals and consultants, among whom the disciplinary area is born in the US. One of the main reasons of this evergreen appeal is the mind-set behind the concept of corporate communication, mostly focused on the management of communication processes.

Management can be conceived as planning, organising, coordinating and governing activities, tasks and resources.

In fact, since in recent years the number of communication specialties has spread in private and public organisations, the need for controlling and organising of multiple activities and resources has grown. Corporate communication has undergone a profound evolution, which has increased its strategic importance in the governance and success of complex organisations.

This evolution has created the basis for the ongoing process of institutionalisation, according to which the

communication role is ever more important, because it contributes to the strategic management of organisations and it increases their overall value.

The aim of this chapter is to define the terrain of practice and the conceptual domain of corporate communication, by discussing similarities as well as differences with other related concepts, such as public relations, organisational communication, integrated marketing communication and so forth.

Defining corporate communication in theory and practice

Some authors use 'corporate communication' as a generic umbrella term that covers a wide range of activities, such as for example crisis communication, public affairs and lobbying, employee relations, media relations and so on (Argenti 1996; Goodman 1994). Without providing specific definitions, these authors implicitly highlight the multifaceted and the rich nature of corporate communication. Other authors give specific definitions by stressing once one element, once another. Again, other authors evoke a need for consistency and integration among the different components of the discipline. Table 23.1 reports some definitions of corporate communication. A glance at the definitions reported in the several books written on the subject during the 1990s is enough to see that 'the academic field of corporate communication is scattered, divergent, and lacks coherence' (Belasen 2008: 3).

However, it must be stressed that there are differences among definitions, owing to the wide and interdisciplinary theoretical foundations (Box 23.1), as well as to the distinct approaches that can be applied to the area: corporate marketing/integrated marketing communication, public relations, total corporate communication, corporate communication gaps, organisational communication (Illia and Balmer 2012; Gambetti and Quigley 2012) (Table 23.2). Schultz (1993) defines Integrated Marketing Communication (IMC) as 'a concept of marketing communications planning that recognise

the added value of comprehensive plan that evaluates the strategic roles of a variety of communications disciplines (i.e. advertising, direct response, sales promotion and public relations) and combines these disciplines to provide clarity, consistency and maximum communication impact' (10). Traditionally, integrated marketing communication refers more to commercial contents used by a supplier to persuade a buyer. Differently, organisational communication scholars (Jablin and Putnam 2001) focus on the activation of sense-making processes, the construction of a shared organisational reality and behaviours. Corporate communication has often been employed as a synonym of public relations (PR). But if we analyse the academic literature (Grunig and Hunt 1984; Ledingham and Bruning 2000), we can see that the attention of public relations scholars is more directed to the strategic management of relationships with key publics and influential stakeholders, both digital and offline. The differences among these disciplinary fields are increasingly blurred, but, on a broader level, what makes corporate communication distinctive compared to other related and similar concepts is the way of conceiving organisations.

In fact, the label 'corporate' derives from the Latin word 'corpus' and it stands for a 'unitarian entity', a 'whole'. Corporate communication addresses the 'one company, one voice' approach, and insists on the importance of making an organisation appear as a unique subject with a consistent narrative across different markets, audiences and brands. Traces of the potential close tie between the concepts of corporate communication and the organisation as a metaphor of unity and totality dates back at least to the pioneering work of Bernstein (1984). A corporate communication

strategy should convey the unique character of the organisation (Kitchen and Schultz 2001). It implies pursuing the alignment with the corporate image among external strategic constituencies. Moreover, it

requires building the antecedents of corporate image, so to involve multiple internal functions to define the corporate identity, values and culture as well as clear strategic orientations.

Definition	Source
The set of activities involved in managing and orchestrating all internal and external communications aimed at creating favourable starting points with stakeholders on which the company depends.	Van Riel and Fombrun 2007
A management function that offers a framework for the effective coordination of all internal and external communication with the overall purpose of establishing and maintaining favourable reputations with stakeholder groups upon which the organisation is dependent.	Cornelissen 2017
As a practice based on four dimensions: roles, skills and activities of practitioners; organisation of these practitioners and their work; political and cultural issues; and the communication and consumption of process and products.	Cornelissen et al. (2006)
A variety of management functions related to an organisation's internal and external communications. Depending on the organisation, corporate communication can include such traditional disciplines as public relations, investor relations, employee relations, community relations, media relations, labour relations, government relations, technical communication, training and employee development, marketing communication, management communication.	Goodman 1994
The strategic management process by which an organisation communicates with its various audiences to the mutual benefits of both and to its improved competitive advantage.	Dolphin, Fan 2000
An approach, a management philosophy that should be adopted by communication managers in order to favour the alignment and synergistic action of all communication activities carried out by firm.	Gambetti and Quigley 2012
Corporate communication transcends the areas of speciality of communication practitioners and cross-functional boundaries to harness the strategic interests of the organisation as a whole.	Belasen 2008

Table 23.1 Definitions of corporate communication

Definition	Links to corporate communication
Integrated marketing communication (IMC)	Corporate communication is seen to be part of the marketing function
Public relations (PR)	Corporate communication plays a boundary-spanning role
Total corporate communication	Corporate communication should not be merely viewed as a functional activity, but as a strategic one since whatever an organisation says and does, it communicates
Corporate communication gaps	Corporate communication's goal is to assure that no gaps exist between what an organisation does and what it says
Organizational communication	Corporate communication builds and shapes organisational sense making and behaviours

Table 23.2 Different disciplinary approaches that can be applied to the study of corporate communication

Box 23.1

Perspectives that inform corporate communication

Several communication perspectives collectively constitute the construct space for corporate communication. The most significant are functionalist, interpretative and discursive/constitutive. Functionalist perspective focuses on processes and their measurement, on roles and behaviours, on the definition of goals and strategies (Argenti 1996, Van Riel 2003; Cornelissen 2017). Interpretative perspective is more related to rules, decisions, culture, symbolic processes of meanings' attribution, socially construction of reality and identity (Cheney and Christensen 2001). Finally, discursive/constitutive perspective belongs to the so-called context-centred approaches to the study of communication. More precisely, this approach goes beyond the classical functional approach to organisational communication, focused on messages, networks and

channels, by focusing on the meaning-centred approach, focused on sensemaking, influence and culture (Putnam and Nicotera 2009, Cooren 2015; Weick 1995). Adopting a context-centred approach to the study and the practice of organisational communication requires a recognition of the growing interconnectedness among organisations and their stakeholders. This arises from the turbulence and complexity that affects organisational settings as well as the pervasivity of new technology. This approach is also in line with the emerging perspectives on postmodernism, critical studies, global cultures and institutions. Following organisational communication theory, organisations are communicatively constituted because the communication (often conceptualised as discourse) is the means by which human beings coordinate actions, create relationships and constitute or maintain organisations (Christensen and Cornelissen 2011; Putnam and Nicotera 2009). As Deetz (1992) noted, communication cannot be reduced to an informational issue where meanings are assumed to be already existing, but it must be a process of meaning development and social production of perceptions, identities, social structures and affective responses.

Think about 23.1

When is the term 'corporate communications' used rather than 'corporate communication'?

Traditionally, corporate communications implicitly draws on a 'transmission' or 'conduit' metaphor of communication. Corporate communication domain of practice primarily consists of projecting and planning contents and channels through which messages are diffused with the aim of achieving certain organisational goals. Beyond different disciplinary perspectives, the idea that the organisation should perform as an orchestra, by developing the capability of using different instruments played by different people to harmonically play the same music, is fundamental (Van Riel 2003).

The role of corporate communication in society

Communication plays its role at the increasingly more and more porous and fragile boundary between the organisation and its reference environment (White and Verčič 2001). From this viewpoint, communication

exercises a function of *boundary spanning*. The fact that it has a boundary function gives corporate communication a privileged position for observing and interpreting the context in which an organisation operates, and this is considered a central theme in strategic management studies to guarantee the long-term corporate survival.

The monitoring and interpretation of the ongoing dynamics in *environmental scanning* are thus an important component of the strategic contribution of communication to the decisional processes and can be conducted at two levels: the issue and public level and the company stakeholder level (Stoffels 1994). Through such activities, communication stimulates management to formulate strategies and processes aligned with the ongoing dynamics in the company social context and with the most relevant expectations of stakeholders, rather than just limiting itself to only considering its own interests (Steyn 2003). This facilitates the progressive legitimisation of the company in its environment, which is a necessary condition to maintain its long-term 'operating licence'.

Consider examples where an organisation has failed to engage with its public or stakeholders and lost its licence to operate in a market.

Together with boundary spanning and environmental scanning activities, the aligning component of strategic communication includes bridging with and engaging stakeholders.

Case study 23.1

Barilla Centre for Food and Nutrition

The Barilla case study described in this chapter highlights how, and to what extent, communication can play a crucial role for the competitive advantage of firms by influencing the managerial processes related to the three activities mentioned earlier. For instance, the CCO proposed to set up the Barilla Centre for Food and Nutrition, devoted to research and open discussions around nutritional, health and agricultural issues. The Centre proposed a new model able to measure and to affect both consumption and manufacturing processes: the Double Pyramid Model, a tool that examines the nutritional facets of foods linked to their environmental impact (www.barillafcn.com, 2015). The model has

the aim of communicating the inverse relationship between nutritionally recommended foods and their environmental impact. In other words, the healthiest foods are those with the smallest negative impact on the environment. Thanks to the BCFN, and the CCO who plays a crucial role in its life, Barilla has developed a great amount of initiatives to cultivate trust relationships with the local community, farmers, employees and every other parts of the value chain. For all these reasons, we can say that communication is able to play a strategic role in creating shared value, by aligning social needs with the development and production of Barilla products, by cultivating trust relationships with actors of the value chain and by helping and enabling local cluster development.

Source: Invernizzi, E., Romenti, S. and G. Murtaelli (2016). 'Creating Shared Value through Communication: A Case Study Analysis of Barilla'. In Bronn, P.S., Romenti, S., Zerfass, A. (Eds.). *The management game of communication* (pp. 181-201). Emerald Group Publishing Limited

Public relations scholars have traditionally identified the development of solid, lasting and symmetric relations between the organisation and its stakeholders as the strategic objective of communication (Grunig 1992; Ledingham and Bruning 2000). This role implies abandoning short-sighted management attitudes dedicated primarily to defending management's own areas of interest (*buffering*), but instead dedicating the energies to encouraging greater open-mindedness on the part of the organisation to its reference environment. Corporate communication professionals welcome *stimuli* coming from outside, and value the wealth of opinions, positions and experiences which constitute the organisational context.

Assuming an approach of this type means building bridges between the organisation and its most important stakeholders (*bridging*), as well as activating and facilitating the participation and involvement of company's members, while taking care to maintain a balance between the weight of their voices and those of the management of the organisation (Heugens et al. 2002).

Beyond bridging, stakeholder engagement means activating co-decisional processes, building partnerships and stimulating supporting behaviour from stakeholders. Activating co-decisional processes, for example through ad hoc stakeholder meetings and multi-stakeholder workshops, means incorporating stakeholders' points of view in managerial decision making. The result is shared choices that should be more aligned to meeting stakeholders' expectations. Building partnerships means working together with stakeholders to devise, plan and

develop new business solutions. Stimulating supporting behaviour transforms stakeholders into real advocates for organisational projects.

The role of corporate communication in organisations

The strategic role of corporate communication inside organisations has evolved and become increasingly more important. More and more frequently, the Corporate Communication Officer (CCO) takes part in the corporate decisions of the dominant coalition.

Firstly, corporate communication enables the implementation of company decisions. The CCO contributes by following the actual decisional momentum and exercising influence on the ways in which decisions are communicated and carried out. Communication helps to govern the activities, mainly tactical in nature, which are necessary for the implementation of the decisions themselves. In fact, communication enables the decisional processes by transmitting their contents to interested parties, involving and motivating human resources, supporting the exercise of leadership, helping to plan and organise the managerial and operational activities, and making it possible to check the results obtained. Some authors

define communication strategy (Argenti 1996; Van Riel and Fombrun 2007; Steyn 2003) as that which makes known, inside and outside the organisation, the decisions regarding company strategy and business objectives. According to the authors, communication helps to focus the energies of the organisation's internal and external members towards a shared goal. The enabling role coincides with the infrastructural role, traditionally attributed to communication, that is, the role of sustaining and supporting the company business. It represents a crucial component as it substantially contributes to the efficacy and quality of the results in the decisional process. This component in the communication role does not impact the content of the decision itself, but rather on the way in which the decision is carried out.

Corporate communication becomes something more than an infrastructural component of the business, when it feeds the decisional process, influencing it through reflective activities of analysis and interpretation of the internal and external context. Here the listening activity plays a different role from that of the enabling role of communication, where listening aims at aligning the communication of the decisions taken with the stakeholders' opinions and attitudes.

Context analysis conditions the formulation of the strategic options to choose from, as it widens the choice of decisional criteria because it includes

the communicational ones. In other words, through reflective activity, the communicational component enters the decisional process itself and contributes to influencing its content. By carefully listening to context and understanding the expectations of the main stakeholders, the CCO can forecast the impact on them and thus contribute to making decisions in keeping with their context. The decisions of the companies that use this type of approach are more sustainable, not only from the standpoint of financing, human resources and technology as traditionally occurs in many corporations, but also from the communicational standpoint. Taking sustainable decisions from the communicational standpoint, therefore, means ensuring that the choices made are not communicated, but aligned with the expectations of the company stakeholders as well as with the public image and identity of the organisation.

The importance of the activity of dialogue between the corporation and its stakeholders within the constitutive role of communication is fundamental as it permits maintaining harmony among the respective values and helps to legitimate the organisation in the environment in which it operates (Andriof and Waddock 2017). Such dialogue may even be focused on business themes to encourage the direct involvement of certain stakeholders in decisional processes and to activate the exchange of innovative ideas.

Case study 23.2

Four dialogue strategies with stakeholders

Within the corporate communication field, increasing attention has been devoted to the relational theories and principles based on concepts such as involvement, engagement and dialogue by replacing the traditional sender-receiver model and striving for a more two-way symmetrical communication (Taylor and Kent 2014; Valentini et al. 2016). Given the major relevance attributed to cultivating relationships and a growing usage of social media, organisations are more and more required to develop dialogic strategies and competences especially within the social media context (Romenti and Murtarelli 2012; Romenti et al. 2014). Dialogue can be defined as a core process that can be used by organisations by achieving different aims. According to Romenti and Murtarelli

(2012), organisations could implement four main dialogue strategies: concertative, transformative, framing and generative ones.

Concertative dialogue strategy is usually used for stimulating and facilitating consensus and agreement among participants with regards to organisational behaviours and initiatives (Innes 2004). Transformative dialogue strategy is suitable when companies call for new ideas concerning current strategies and future policies and ask for suggestions from interlocutors (Gergen et al. 2004). Framing strategy is usually used when an organisation wants to be visible and recognised as a relevant and informed actor about a specific topic or issue (Entman 1993). Finally, generative dialogue strategy is suitable when an organisation would like to stimulate the exchange of different opinions among participants in a respectful climate. By selecting each strategy, organisations need to take a decision concerning the tone of the dialogue, the type of dialogic flow and the different conversational resources to use in a dialogic process.

Case study 23.3

Ferrari as a communication-oriented company

Ferrari, the well-known auto-maker luxury company, can be defined as a communication-oriented company, since communication takes on a predominant role in guiding both the strategic and the operational decisions of the company. The re-birth of Ferrari, following a crisis, during the 1980s, is tied to the strategies put into effect by the new CEO, Luca di Montezemolo, who served as manager in the Corporate Communication department of the FIAT Group, where he reached the position of CCO. Montezemolo joined Ferrari, became President in 1991, and started a programme known as 'Formula Persona', which consisted in continuously improving innovation and creativity, centring on each employee and on what s/he could contribute. To this end, several buildings and work environments were designed to optimise the production process and emphasise individual identity and a sense of belonging of the employees. In addition, a system was designed to recognise the contributions of the employees and to implement a series of company-sponsored services, including outside services, to simplify and better employees' lives. The idea, on which the 'Formula Persona' was based, was that these measures would communicate to

the employees the value the company placed on them as well as the recognition of the contribution of every person to the company's success. The results have been astonishing from the point of view of employee commitment and of the company's economic results. In the middle of the 1990s the economic bottom line turned 'from red to black' and in 1999 Ferrari started again to win the world championships non-stop up until 2008.

Source: Invernizzi, E., Romenti, S. and M. Fumagalli (2012). Identity, communication and change management in Ferrari. *Corporate Communications: An International Journal*, 17(4), 483-497



Picture 23.1 Ferrari's renaissance is attributed to the communication skills of CEO Luca di Montezemolo (source: Remo Casilli/Sintesi/Alamy Stock Photo)

A further and third strategic contribution to decision-making processes manifests itself through the participation, from the very beginning, of communication professionals in all corporate and departmental decisional processes. Or through the decisional processes that the CEO himself starts up, after considering their aims and their communicational consequences. The reasons for this important change are to be found in the progressive recognition of the relevance of the communication component in any company decision.

The presence of the director of the communication function in the executive committee has its justification in the fact that every decision must be evaluated, not only from the standpoint of necessary resources and financial impact, and, not only from the standpoint of necessary requirements and impact on human resources, but also from the standpoint of necessary communication resources and communication impact which those decisions require and imply.

Corporate communication and intangible assets

Corporate communication plays a crucial role in the process of developing intangibles, such as reputation, image and identity. Corporate communication intangibles represent the capital a company has in terms of its credibility, reliability and trustworthiness with its stakeholders (Caruana 1997; Christiansen and Vendelo 2003; Coombs and Holladay 2006) and, consequently, the degree of support the organisation has at its disposal to be legitimised as a 'good citizen' in society.

Corporate reputation crystallises the firm's ability to deliver value to its stakeholders (Fombrun et al. 2000); therefore, the quality of its reputation reflects the capacity of an organisation to satisfy the expectations of multiple categories of stakeholders (Freeman 1984). To improve reputation, communication managers should manage effectively their organisation's

corporate identity (Balmer and Gray 1999; Van Riel and Fombrun 2007). Corporate identity is conceived as the backbone of reputation (Van Riel and Fombrun 2007) because it reflects managers' and employees' perceptions about the organisational core (Hatch and Schultz 1997; Davies et al. 2004). Corporate identity influences the way in which stakeholders form their judgements (Dowling 2004). On the one hand, through visible symbols (i.e. architecture, office layouts, uniforms, dress codes, language, logos) which reflect organisational self-representation (Dowling 2004) and on the other, through the expression of the deeper personality of the organisation, which is the result of the shared values and beliefs of all organisational members. Corporate identity strengthens reputation when it is unequivocal, clear and explicit, such as when it drives corporate behaviour, so reinforcing the organisation's temporal consistency in the eyes of stakeholders.

Balmer and Gray (1999: 172) state that corporate communication 'forms the nexus between an organisation's corporate identity and the coveted strategic objective of acquiring a favourable corporate reputation'.

These authors offer a broader view of corporate communication by defining three forms of it: primary, secondary and tertiary. The most interesting characteristic of this typology is that primary communication consists of organisational behaviours and their meanings transmitted to stakeholders. In other words, whatever the organisation does (for example in terms of product and services delivered, human resource policies, employees' behaviours to other stakeholders), organisational behaviours are the fundamental components of corporate reputation (Fombrun and Shanley 1990; Bromley 1993, Fombrun and Rindova 1996; Balmer 1998; Gray and Balmer 1998). Above all, behaviours and decisional processes may contribute to reinforce reputation when they are linked to ethical and sustainable principles of management, and when they are consistent with organisational core values embedded in corporate identity. The central role assigned to behaviours within the reputation management process is the reason why the most commonly used corporate reputation measurement models (i.e. Fombrun's Reputation Quotient, Financial Times' Reputational Rankings) evaluate stakeholders' perceptions of a wide range of organisational elements: product and service quality, financial performance, social responsiveness, innovation, work-environment quality and effectiveness of management. Finally, Balmer and Gray (1999) define secondary and tertiary

Explore 23.1

Purpose vs. profit

There's a change afoot within organisations that calls on the PR profession to step up to the task of helping organisations to define their purpose in a way that is meaningful to society.

It's an issue that is quickly rising up the corporate agenda. Larry Fink, CEO of BlackRock, fired a warning shot in January 2018 in his organisation's anniversary CEO letter to business leaders when he called companies to account for their societal impact.

'Purpose is not the sole pursuit of profits but the animating force for achieving them.

'Profits are in no way inconsistent with purpose - in fact, profits and purpose are inextricably linked. Profits are essential if a company is to effectively serve all of its stakeholders over time - not only shareholders, but also employees, customers, and communities.

'Similarly, when a company truly understands and expresses its purpose, it functions with the focus and strategic discipline that drive long-term profitability. Purpose unifies management, employees, and communities. It drives ethical behavior and creates an essential check on actions that go against the best interests of stakeholders.

'Purpose guides culture, provides a framework for consistent decision-making, and, ultimately, helps sustain long-term financial returns for the shareholders of your company.'

Fink's words carry the weight of the largest investment fund in the world with more than \$6 trillion under management. Read his letter and consider its impact on corporate organisations and the way that they communicate with their public.

Source: A Fundamental Reshaping of Finance, Larry Fink CEO Letter, Blackrock

communication as respectively the traditional planned communication activities (i.e. advertising, visual communication, public relations) and the word-of-mouth generated by the general public and media about the organisation's activity. Consequently, scholars argue that reputation can be the result of communication carried out by the organisation both directly,

through planned activities of advertising/publicity, and indirectly through daily behaviours that generate word-of-mouth communication among the general public. To enhance reputation, all the communication contents by and about an organisation should be consistent with its corporate identity over a given period (Balmer and Gray 1999; Van Riel and Fombrun 2007).

Recent researches (Doorley and Garcia 2007; Van Riel and Fombrun 2007) concur that the aim of corporate communication and public relations should concentrate on strengthening corporate reputation instead of building image, which represents only an organisation's outward appearance.

The image-building process is based on Grunig's Press-agentry Model (Grunig and Hunt 1984) where the organisation is less than truthful about its activities and the effects of its activities, and it resists establishing a dialogue with its constituencies. Already in the 1960s and 70s, Finn (1961) and Bernays (1977) were ahead of their time in pointing out the limits of the image concept. The former maintained that image is the fruit of deliberate construction, often without any real relation to true corporate identity. The latter emphasised that the term image evokes the fact that public relations deal with illusions rather than with reality. These precursors were followed, starting in the nineties, by other researchers and practitioners (Olins 1989; Invernizzi 1991; Grunig 1992)

who called for abandoning the concept of image and hence the term, especially as objectives of corporate communication. In 1992 Grunig affirmed that image has many negative connotations, because it is seen as the opposite of reality, as an imitation of something. Olins (1989) attributed negative value to the concept of image, associating it with something false, the opposite of reality, and stressing its manipulative dimension.

Coordinating all forms of communication

Due to the distributed geographical responsibilities, the variety of specialisms in communication and the diversity of organisational roles, organisations are required to develop coordinating mechanisms and to stimulate cooperation among all organisational members involved in communication activities. To this regard, the SIDEC model drives the choice of a communication policy. The model stands for Strategy, Internal organisation, Internal driving forces and Communication policy (van Riel and Fombrun 2007) (see Figure 23.1). The choice of a communication policy depends on the relationships among the nature of corporate strategy, the heterogeneity of the driving forces at group and

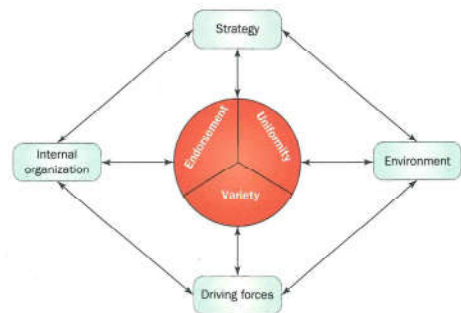


Figure 23.1 SIDEC Model (the model stands for Strategy, Internal organisation, Internal driving forces and Communication policy. Adapted from van Riel and Fombrun 2007) (source: Adapted from Van Riel, C.B.M. and C. Fombrun (2007). Essentials of Corporate Communication. Abingdon: Routledge)

business units' levels, the way in which internal organisation works and the nature of environments in which the organisation operates.

Company strategy should be translated into common starting points (CSPs) both at the general level and at the business units' level. CSPs are central values, which are the basis for any kinds of communication, in other words concrete statements from which central values can be consistently translated into all forms of communication. In order to coordinate diverse forms of communication, beyond CSPs, an organisation should introduce a common operational system (i.e. a general accepted approach to setting up campaigns) and select coordinating bodies (i.e. a unique department, a steering committee, ad hoc meetings).



Picture 23.2 The Sense and Simplicity campaign radically changed consumer perception of Philips and repositioned it as a leader in the health and wellbeing category (source: Agencja Fotograficzna Caro/Alamy Stock Photo)

Mini case study 23.1

Philips and the campaign 'Sense and simplicity'

The main goal of the Sense and Simplicity campaign was to change the existing customers' perceptions towards the company's image. Philips' strategy of using simplicity both as a design theme and a differentiator of a new brand positioning had the potential to bring good results for the

company. The company's financial health deteriorated in the 1990s, partly because of a lack of focus and partly because of poor communication. In 2003, the CEO unveiled the new corporate vision and mission. He also decided to reposition the brand. In 2004, the management launched the 'Sense and Simplicity' campaign. The new brand promise was to launch high-tech able to meet customers' needs (sense) but with simple designs and easy-to-use interfaces (simplicity). Various forms of communication were used to effectively communicate the new brand promise: advertising campaign in print, TV and internet media, events, media relations, dedicated website.

Summary

This chapter helps us to understand the purpose of corporate communication (i.e. developing reputation, identity and image; maintaining legitimacy). Corporate communication helps companies to

make effective and informed decision-making processes in order to meet organisational goals as well as the expectations expressed by the broader society. For this reason, organisations are required to use mechanisms for developing consistent messages and coordinated channels.

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