

# Communicating Corporate Identity in International Hospitality Organisations

*Case studies of Scandic Hotels and Radisson SAS*

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Luleå 14<sup>th</sup> of January 2005

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## **Abstract**

The aim of this study is to investigate how international hospitality organizations (IHO's) are communicating its corporate identity. Issues regarding corporate identity are crucial for the survival of IHO's, and if it is managed well it will serve as a competitive advantage. Two case studies are used to elucidate the research purpose: Scandic Hotels and Radisson SAS. These two cases provide insights on how corporate identity is managed in the hospitality industry. Information from both organizations has been collected through interviews and evaluated descriptively. How IHO's are planning its corporate identity communication strategically from a managerial perspective will be described. The findings show that a corporation's brand name is the most important visual tool for IHO's. However, the importance of using as many tools as possible, together with the importance of consistent and coordinated communication efforts following a red thread in order to transfer the correct message, will be highlighted. Finally, how IHO's mainly through training implement the corporate identity internally will be portrayed. Furthermore, the usefulness of Intranet for such training will be presented.

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## Sammanfattning

Syftet med denna uppsats var att undersöka hur internationella hotellorganisationer (IHOs) kommunicerar sin identitet. Frågor rörande ett företags identitet har visats sig vara av yttersta vikt och en väl kommunicerad företagsidentitet anses utgöra en konkurrensfördel. Detta mål har uppnåtts genom två beskrivande studier av hotell organisationerna Scandic och Radisson SAS. Via två intervjuer med personal som dagligen arbetar med frågor gällande företags identitet har vi samlat relevant data för att uppnå vårt syfte. Uppsatsen förklarar hur internationella hotellorganisationer strategiskt planerar hur företagets identitet skall kommuniceras. Vidare har slutsatsen att ett företags namn är det viktigaste verktyg för IHOs att beakta när de kommunicerar. Dock är det viktigt att komma ihåg att så många verktyg som möjligt bör samordnas för att få en effektiv och genomtänkt kommunikationsprocess. Slutligen har denna uppsats påvisat vikten av ett genomtänkt internt träningsprogram för att säkerställa att företagets identitet uppfattas korrekt av personalen. För att på ett relativt enkelt sätt göra detta rekommenderas användning av ett intranät.

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# 1. Introduction

*In this chapter an introduction of the research topic will be presented. It will start with a brief background on corporate branding and the different issues the concept includes, with a focus on corporate identity. This will lead to the problem discussion and research purpose. Finally demarcations and an outline of this thesis will be provided.*

## 1.1 Background

The importance of brand development has evolved dramatically during the past thirty years, and has come to include not only product branding but also corporate branding. Corporate branding is a way of letting stakeholders and customers comprehend the organization. (Balmer & Greyser, 2003) Product branding is mainly a concern for middle managers, while corporate branding is a matter for senior managers. (Balmer, 2001b) Several researchers have highlighted the importance of a strong corporate brand, and as Clifton and Maughan (2000) found that 19 of the top 20 organizations in the world share the same corporate brand name and product brand name, its significance is difficult to ignore. By developing strong corporate brands organizations add value to the basic service or product, and can thereby develop a preference and loyalty towards it. (Knox & Bickerton, 2003) For many companies the importance of having a well-developed corporate brand is, according to Balmer (2001a), often crucial.

There is, however, another concept that should be considered when building a corporate brand, namely corporate identity. These two concepts are easily mixed, and therefore a clarification of the main differences is necessary. Corporate identity is a long-term plan, developed by the management, of how they want the stakeholders to perceive the organization. Corporate brand, on the other hand can be described as “the face” of the organization. (Balmer & Gray, 2003) Furthermore, corporate branding includes issues regarding customer focus, from a marketing perspective, as well as organizational focus from a multidisciplinary perspective. Corporate identity however, concerns how the management wants to build a good reputation and image in the eyes of the customers, on an organizational level. (Knox & Bickerton, 2003)

Several elements should be considered when building a strong corporate brand depending on whether the focus is directly on customers, or on the organization. The organizational focus has come to play an increasingly important role due to internationalization and increased competition. When focusing on corporate branding from an organizational perspective, corporate identity plays a central role in the discussion. (Balmer, 2001b) Since corporate identity lays a foundation for the whole business concept in many organizations, it will be further discussed in this study. (Ibid)

### 1.1.1 Corporate Identity

Corporate identity has been discussed for decades, and there seems to be several ways of interpreting the phenomenon. However, van Riel and Balmer (1997) have sorted out three main directions: the graphic design paradigm, the integrated communication paradigm, and the interdisciplinary paradigm. For many years corporate identity was almost synonymous with graphic design, i.e. the logo and other visual signs. When organizations wanted to focus on the development of the corporate identity they recruited graphic designers that emphasized the visual identity, and made it more fashionable. The three main reasons for this focus were that: it was easy to control for managers, the change came rather quickly, and it was quite

easy to achieve consistency throughout it. (Balmer & Wilson, 1998) However, more thorough studies of the corporate identity started to point out the importance of effective communication with stakeholders, and the integrated communication paradigm was developed. This paradigm required more focus on communication tasks along with consistency in the communication process. (van Riel & Balmer, 1997) Corporate communication has been defined as: “the process through which stakeholders perceive that the organization’s identity, image, and reputation are formed”. (Balmer and Gray, 2003) As the discussion regarding the corporate identity grew wider more issues were included. Today it concerns not only communication and graphical issues, but also behavior within organizations; the interdisciplinary paradigm. (van Riel & Balmer, 1997) All these different attempts to define what corporate identity really is made the International Corporate Identity Group (ICIG) to conclude that there should not be a clear definition. Instead the ICIG have developed a statement, the so-called Strathclyde Statement that articulates the many disciplines that corporate identity concerns. The main part of this statement is presented in figure 1.1. (Balmer, 2001b)



**Figure 1. 1:** The Strathclyde Statement  
**SOURCE:** ICIG in Balmer (2001b), p. Appendix I

All organizations have an identity that defines the aims and values of it. This identity is supposed to differentiate it from competitors; it is “the reality and uniqueness of a corporation”. An organization’s identity has been recognized as one of the most critical assets, and having a well-defined identity is considered a competitive advantage. This requires that organizations successfully establish good relationships with its stakeholders. To attain this, organizations should carefully build clear values and purposes, strategy, culture, and structure. (Balmer & Gray, 2003) Through these means organizations want to emphasize special characteristics that they want to be associated with. (Brassington & Pettitt, 2000) Good ethical behavior and a good reputation, as well as business competence is a necessary part of an organization’s corporate identity. (Gray & Balmer, 1998) If the corporate identity is well managed, essential activities and disciplines can be integrated smoothly to facilitate its success. (Balmer, 2001b) To ensure that corporate identity is properly exercised a well-developed communication strategy based on a thorough situation analysis is needed. (Brassington & Pettitt, 2000) There are three major components closely connected to corporate identity: corporate image, corporate reputation, and corporate personality. These are

influencing corporate identity; hence they also need to be taken into consideration when discussing corporate identity. (Markwick & Fill, 1997)

The corporate image is, according to Gray and Balmer (1998), “the immediate mental picture that audiences have of an organization”. It is the content of all different impressions, knowledge, and experience each stakeholder has about the organization. There may however, exist different images as different stakeholders may have different experience and opinions of the organization. If this happens too often it can lead to multiple identities and confusion among the audience; hence, a consistent and sustainable message is needed. Since image is how the stakeholders perceive the organization, senior management seeks to influence image through corporate identity. Image can however be changed quite quickly through effective communication programs. Corporate reputation is an element very closely linked to corporate image, since it is necessary to build a good reputation in order to receive a successful image. However, a reputation is more durable than an image and requires nurturing through time. (Markwick & Fill, 1997) Corporate reputation can be described as a reflection of different impressions, which “indicates a value judgment about the organization’s attributes”. A bad reputation may hurt an organization considerable, and to retain a good reputation may take years. This shows that image and reputation concerns how the audiences interpret the corporation. Consequently, it is difficult for managers to control image and reputation. Nevertheless, these are important objectives for management to consider when managing the corporate identity. By successfully using the logo and the organization name in a variety of media, organizations try to build up a picture in people’s mind of how they conceive the organization. This is however not enough, as a good reputation and image building often requires many different effective communication activities. (Gray & Balmer, 1998)

In order to manage corporate identity managers first need to be aware of the personality of the corporation. According to Markwick & Fill (1997) the corporate personality is “what the organization actually is”. This concerns how beliefs, values and purposes, products, cultures and facilities are blended. These elements are often very deeply rooted in an organization and affect almost everything it does. Strategy is a large part of the corporate personality. However, an organization’s strategy changes quite frequently, and even though different strategic decisions affect the personality, it is not certain that a strategic decision makes any major changes in it. (Ibid.) Poor corporate identity performance may confuse the audience, and increase the risk of underperformance and negative reputation. This study explores the corporate identity, and how managers communicate a consistent message.

Corporate communication can be divided into three categories: primary communication; secondary communication; and tertiary communication. Primary communication concerns products, managers, staff, and company policies. Secondary communication deals with marketing communications corporate advertising and promotion. Tertiary communication is about word-of-mouth between organizations stakeholders and networks. (Balmer & Greyser, 2003) The focus in this study will be on primary communication. Stakeholders can be divided into two main groups, internal stakeholders (employees), and external stakeholders (all other interest groups). Communication efforts among these groups may vary significantly and hence different communication approaches may be needed. (Testa, 2001)

## **1.2 The Role of Corporate Identity in the Hospitality Industry**

During the past decades the hospitality industry has become increasingly internationalized. (Burgess, Hampton, Price & Roper, 1995) This has boosted the competition and managers

have to face greater challenges when marketing their hotel services. International hotel organizations (IHO's) are meeting this competition by extending their business through mergers and acquisitions. This requires large investments, and to be able to actually join the big league in the international hotel business today, organizations need to have large financial muscles. (Brassington & Pettitt, 2000) Hotel chains are meeting this increased competition in different ways, and different brand extensions are common expansion strategies. (Brewer III, 2003) To successfully manage differentiation strategies, without confusing the audience, international hospitality managers need to think and act strategically. Once a strategy has been developed, managers need to decide how to communicate it to its stakeholders. (Crook, Ketchen & Snow, 2003)

Like in many other industries the hospitality industry has found that communication is the key to success. It is through the information gathered when organizations communicate that customers evaluate the service quality at a hotel. (Wolvin, 1994) Building a strong corporate brand is a large part of organizations' communication efforts, and within the hotel industry it is considered as one of the key drivers of success, especially as consumers often decide which hotel to stay at based on their perception of a certain hotel's brand name. Hence, positioning the brand and being clear of what message to communicate is of great importance in this industry. (Jiang, Dev & Rao, 2002) In 1995 there was a major change in the hotel industry; hotel chains started to acquire hotels through mergers and acquisitions worldwide by using an already well-established brand name. By doing this, hoteliers can gain market shares and penetrate several different market segments, and thereby reach a larger audience. As a matter of fact, today most major hotel chains have developed at least one brand name extension. (Ibid.) A big issue for managers when developing a new brand name is to consider the corporate identity; including image, personality and reputation, e.g. how they want the stakeholders to apprehend the organization. (Dowling, 2001) A good corporate reputation contains a tight fit between the image of the organization and the audience's perception of it. This requires that the organization manage to implement the corporate identity throughout the whole organization. (Ibid.) The Hilton Hotels has been successful at this, as they have managed to build up a luxurious aura around the organization's name. Thereby their customers expect an atmosphere in their hotel buildings that corresponds to these expectations. (Gray & Balmer, 1998)

The way hotel chains build up their identity is not very different from product based organizations. Signs, symbols, and graphic devices are symbolizing what the organization stands for. The hoteliers want to control the whole experience for the customers, and make them feel that they are in "their" hotel. Making the size of the rooms similar, as well as the beds are two ways of attaining a familiar environment. Moreover, accommodations such as restaurants, bars, and golf courses are a large part of how hotels build up their identity. Through these environmental issues hotel chains build up a likeness about the organization; since it is important that the customer recognizes the environment no matter where they are in the world. (Olins, 1989) There need to be a match between customers' expectations and their experience, in the hospitality industry, i.e. they need to be satisfied with both the room and the service otherwise they may not return. The customer expects a certain level of service depending on price, advertisements, process, and reputation. Through communication actions the service provider can build up an image and reputation, and thereby a well-defined corporate identity. (Brassington & Pettitt, 2000)

### 1.3 Problem Discussion

The importance of a corporate brand is significant in the hospitality industry, as the corporate name is heavily in focus. Hotel chains often use the corporate name as the major visual sign, which makes the transparency even greater. Many hotel organizations have come to further investigate the corporate identity as a part of the organization's corporate brand strategy. To achieve a successful corporate identity requires consensus among the whole team. Clarity on what should be communicated together with a well-developed vision is essential before an organization further applies the creative parts of the identity. (Rowden, 2000)

IHO's first step towards a well-developed corporate identity is to envision and implement their business strategy in the organization. (Piccoli, Spalding & Ives, 2001) As mergers and acquisitions make it difficult for organizations to stick to the same message, as initially, a change in identity may be needed. (Olins, 1989) According to Balmer (2001b) managers often start with stating different objectives in order to clarify what should be focused in the corporate identity strategy. A corporate strategy is often built on a set of core competences, which makes it possible for the organization to compete successfully. This improves the definition of the organization and makes it easier to define strategic intentions, and to set up targets for further strategic planning. (Dowling, 2001) Once the attributes have been defined organizations should develop a long-term method as a starting point for corporate identity activities. (van Riel, 1995) However, a strategic decision only represents the organization's intention of doing something. The difficulty lies in implementing the strategy successfully. This is often a time consuming and difficult process including many different analyses. (Crook *et al.*, 2003) Effective management is often synonymous with effective communication, hence, hospitality leaders will have to learn to deal with effective communication in an increasingly competitive marketplace. This needs to be done by making their messages clear, and to develop and maintain good relationships with its stakeholders. (Brownell, 1992) How senior managers are communicating their vision is therefore of interest and will be focused on in this study.

How organizations handle communication is, according to Gray and Balmer (1998), a critical link to the corporate identity. An organization has several different groups of stakeholders, which are interested in how the organization conducts business. Consumers are mainly interested in price, quality and service; however organizations' social and ethical behavior is becoming increasingly important. The financial structure and performance is important to sustain towards different financial institutions, and finally the employees are concerned with the organization's personnel policies such as working conditions and wages. Furthermore, a positive reputation among employees has an important role as the well being of the employees is often connected to high morale and productivity. (Gray & Balmer, 1998) Stakeholders are getting increasingly interested in organizations' actions, which makes the importance of transparency in the corporate identity a major issue. This will probably continue to grow in the future, as the younger generation of stakeholders are getting even more used to taking advantage of the Internet. An increased speed in communications will further emphasize the importance of a well-managed corporate identity. Moreover, social action groups that are covered by media also put a lot of pressure on organizations. The Internet makes it easy to check whether organizations are following their philosophy and policies worldwide or not. (Einwiller & Will, 2002)

Those who will lead a hospitality organization into the 21<sup>st</sup> century will have to deal with realities such as changing values, internationalization, increased diversification, and rapidly advancing technology. As effective service often is synonymous with effective

communication, managers need to consider as many different tools as possible when communicating an organization's philosophy. (Brownell, 1992) Therefore the importance of communicating the corporate identity in the international hospitality industry cannot be overemphasized, and will always be of significances to study. Like in other businesses, organizations have to coordinate the internal and external communication efforts, as audiences are bombarded with different messages. (Wolvin, 1994) Moreover, effective communication prevents mistakes that may result in negative attitudes towards the organization, and low morale among the staff. (Brownell, 1992) Hence, it is interesting to investigate how managers in IHO's handle communication. Since the most important link between the manager and the customer is the employees managers should pay extra attention to communication with their personnel, in order to get the message they seek to send through. (Testa, 2001)

### **1.4 Purpose**

The purpose of this study is to gain a deeper understanding of how corporate identity is communicated in international hospitality organizations (IHO's). To reach this purpose the following research questions are stated:

**RQ 1:** How can the strategies adopted by IHO's for corporate identity communication be described?

**RQ 2:** How can the managerial tools employed by IHO's for communicating corporate identity be described?

**RQ 3:** How can IHO's efforts to communicate corporate identity internally be described?

### **1.5 Delimitations**

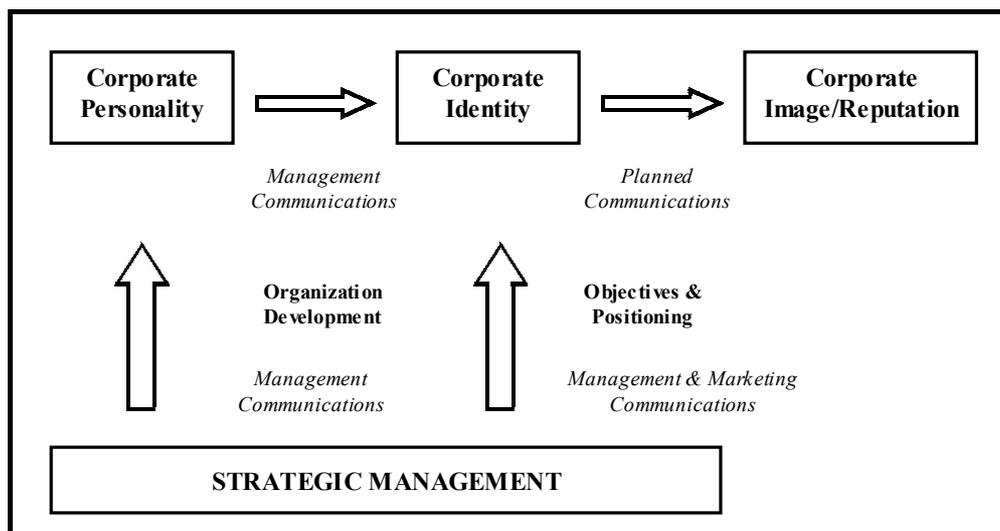
The study does not investigate how a new organization is building its corporate identity. Instead already well-established organizations and how they are communicating an already existing corporate identity is looked into. The tools considered most effective, for senior managers, in the communication process will be discussed, due to this choice some tools will be put aside from further discussion. Finally, the stakeholders have been divided into two major groups, external and internal. The main focus will be on internal stakeholders, i.e. personnel, since they are considered a vital factor when communicating corporate identity in the hospitality industry.

## 2 Literature Review

The literature review chapter will present existing theories on the subject in accordance with each research question. First a brief introduction regarding corporate identity will be provided, in order to clarify the issues brought up in the following sections in this chapter. In the end of the chapter a conceptualization of the theories most suitable for each research question will be provided in the frame of reference. Finally an emerged frame of reference will describe this conceptualization visually.

### 2.1. Introduction

Issues regarding corporate identity are crucial for the survival of IHO's, and if they are managed well they will serve as a competitive advantage. The importance of corporate identity has not always been a concern within marketing. However, more in-depth studies of the corporate brand have put emphasis on the importance of corporate identity. Moreover, there has been a shift in the focus of what corporate identity really concerns. When managers started to pay attention to corporate identity its main concern was graphic design. Today however, it includes several important aspects, and how it should be communicated. (Balmer & Gray, 2003) When corporate identity is communicated it is often an attempt from the management to control issues such as: image, personality and reputation. (Markwick & Fill, 1997) The main components of the corporate identity management process (CIMP) are presented in figure 2.1.



**Figure 2. 1:** Main Components of CIMP

SOURCE: Authors' adjustment from Markwick & Fill (1997), p.400

Markwick and Fill (1997) argue that all organizations have different personality and identity strategies. As strategies change quite frequently, and thereby affects both personality and identity, it should be seen as a distinct and separate component when discussing the CIMP. The linkage between personality and identity is considered to be a way for organizations to understand their own qualities, capabilities and direction. Whether this is a planned action or not, it reflects the management's experience, abilities and political disposition. It is the corporate communication that translates the corporate identity into an image towards the stakeholders, and to understand the image that stakeholders have of an organization is a major strategic advantage. (Markwick & Fill, 1997) How the management handle corporate communication is crucial for an organization's success, considering that stakeholders are

influenced by almost everything an organization does and says. (Gray & Balmer, 1998) Therefore, it is interesting to investigate how these issues are managed.

The only way for management to control issues such as image and reputation is through a well-developed corporate identity strategy. (Rowden, 2000) Strategies developed for corporate identity management are of a general approach, which means that the strategies presented can be applied in all industries; hence it is not specific for the hospitality industry. According to Markwick and Fill (1997), the main concern of corporate identity is how the personality of the organization should be projected to stakeholders by using a variety of communication tools. The most important stakeholder group is the employees, as they are the ones projecting a positive or negative cue to other stakeholders. (Stevens & Brownell, 2000) Hence, special attention to this stakeholder group is needed. However, a communicating organization cannot function only on the good intentions of the employees. A detailed communication plan on goals and how to achieve these goals both internally and externally is needed. (Wolvin, 1994)

## 2.2 Corporate Identity Strategies

According to Crook *et al.* (2003) hospitality managers who think and act strategically can successfully navigate their environment. The complete set of strategies pursued by a firm is the result of a complex interplay of analysis, decisions, actions, and results. Considerable analysis is the foundation for both market strategies (the use of a respected brand to attract customers) and non-market strategies (political lobbying). (Ibid.)

### *Categories of Identities*

According to Olins (1989) corporate identity is simply the corporate strategy made visible. However, it is not as simple as it sounds. Managers first need to consider how they want this visible image to be comprehended. (Crook *et al.*, 2003) Olins (1989) claims that by identifying how organizations use the corporate brand, it is communicating the structure of the organization. If an organization uses the same logo, color, name and typestyle on all divisions they want to communicate that they are centralized. On the other hand if they use different names etc. for each division, they communicate that the organization has a decentralized identity. Olins has divided these kinds of identities into three different categories as shown in table 2.1.

**Table 2. 1:** Categories of Identities

<b>Identity category</b>	<b><i>Explanation</i></b>
<b>Monolithic</b>	<i>The same name and visual style is used in all external communication. Common in small companies.</i>
<b>Endorsed</b>	<i>When a corporation has several products or businesses that have their own semi-independents identities but are also endorsed by the corporation,</i>
<b>Branded</b>	<i>When a firm promotes several different brands separately and the customer cannot guess the corporate parent by looking at the brand.</i>

**SOURCE:** Authors' construction summarized from Olins (1989)

Olins (1989) wants to clarify that there are no proof that one category are superior the other, it depends on the corporation and what they want to communicate. However, the author claims

that the monolithic identity is often associated with banking, airlines and oil companies. The monolithic identity is furthermore longevity, as most businesses using this identity do not fundamentally change that much, even though they do make some improvements. Corporations with endorsed identity have often grown through acquisition and are anxious to retain the goodwill that is associated with the brand acquired. However, they still seek to create a corporate identity so that customers will know that there is a single organization; the parent corporation should be acknowledged. The whole idea of the branded identity is to separate each product from the organization and give them a distinctive name and packaging, and then promote them so that it would suit the target market for a specific product. This makes it rather difficult for customers to recognize the parent organization. (Olins, 1989)

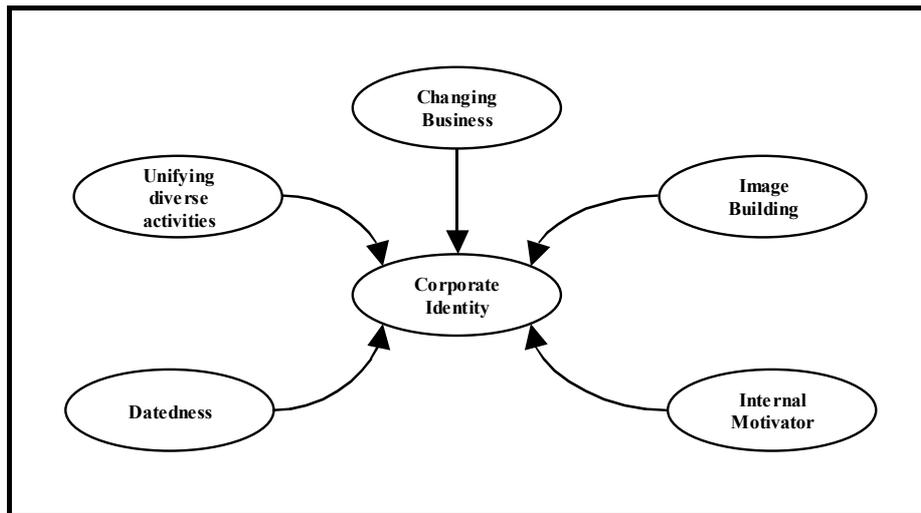
In order to formulate the strategies, preparatory work as data collection and interpretation regarding the industry and its competitors and stakeholders is required. (Crook *et al.*, 2003) The data collection provides an understanding of an organization's existing identity and image. During the process of going through the information, possible improvements and changes of the identity occur. The management then decides what profile of the organization they want to illustrate, which serves as the foundation for the strategies used to reach the stated objectives. (Hinn & Rossling, 1994)

### **2.2.1 Change in Corporate Identity**

Corporate identity is not consistent over time. Changes in an organizations way of conducting business is the main reason to why there is a need for communicating a change in the corporate identity. Organizations need to regularly investigate the changes it has gone through and evaluate if there is a need for a change in the corporate identity. This is often the first part of a corporation's identity strategy. (Gray & Balmer, 1998)

#### *Reasons for Changing Corporate Identity*

According to Brassington and Pettitt (2000) there are many reasons why organizations decide to change its corporate identity. It is important that an organization have an updated corporate image and do not give an impression of being old fashioned or left behind. The way an organization's business evolves can also be a reason to change corporate image. Privatization, as well as mergers and acquisitions, are strong motives to rethink corporate identity. This in order to indicate that there has been a change, that a different kind of organization has been created, or to disassociate the organization from a previous poor reputation. Another reason for change is to communicate the desired image. By managing the image building well, organizations can actually change the attitude of the audience. Moreover, organizations strive to differentiate themselves from their competitors as markets become more and more competitive. This is commonly done at product and promotional levels, but it can still be done through corporate identity as well. Finally, a change in corporate identity can be used as an internal motivator. The process of thinking about the identity makes the organization as a whole look at where it is, where it is going, and how it is to work for that organization. Therefore, creating a new identity can be a new start or a new sense of purpose and direction. (Brassington & Pettitt, 2000) The above mentioned is illustrated in Figure 2.2.



**Figure 2. 2:** Reasons for Changing Corporate Identity  
**SOURCE:** Brassington and Pettitt (2000), p. 798

### *Managing change in corporate image*

When an organization tries to reposition itself, it usually does so by changing the advertising, the mix of products and services, and/or the name. A change in an organization's image is not easily made. However, by following the seven-step approach outlined by Dowling (2001), the change has been successful for many organizations. While the management of the change will be the primary responsibility of the CEO, the implementation will often be delegated to a committee of senior managers. Since an organization's vision, statements, formal policies and culture are crucial when shaping the images and reputations of any organization, this is a good place to start the process of image repositioning. Five management tasks are imbedded in the process; internal evaluation, stakeholder research, design and implementation, internal and external marketing, and the audit. (Ibid)

The internal evaluation can be guided by two broad questions: (1) Is there a tight "internal fit" among the sentiments expressed in the organization's vision, formal strategy, control mechanisms, and the invisible web of culture?; and (2) Do the organization's capabilities support the desired image? That is, can the organization deliver on its promised desired corporate image? Dowling (2001) states that there is a link between employee performance-appraisal schemes and the formal expectations of organizations that often undermines internal fit. It is rather unlikely that a desired image will fit the expectations of every type of stakeholder. Hence, the groups of primary and secondary importance have to be identified, as well as their current perceptions, and how they describe an "ideal" organization. A trade-off will then be necessary in favor of the most important groups. The task in the design and implementation stage is to intertwine the organization's vision and mission; the internal evaluation; and the results from the stakeholder research. A critical step in the change process is to sell the desired image, first to the employees and then to external stakeholders. It is not uncommon that change managers do a poor job of marketing, to stakeholders (internal and external), why the organization is repositioning itself. The fear of revealing the organization's future plans to competitors may unintentionally keep managers from informing the employees about an image reposition. Dowling argues that an organization will have real trouble projecting any type of clear image if employees do not feel that it is in their best interest to cooperate. It is therefore crucial that internal marketing and gaining the commitment of employees precede any attempt to signal a new direction to external stakeholders. "People might respect companies with good aspirations, but they have more respect for those

companies that achieve quality outcomes”. It takes a long time to form corporate images, and they can be damaged quickly. Therefore current images need to be continually monitored to detect changes in stakeholders’ perceptions. It is recommended that managers meet one or two times a year to evaluate the new information and to review the organization’s overall images and reputations and their fit with the organization’s strategic objectives. (Ibid.)

### *Objectives with Corporate Identity*

As mentioned in the previous chapter, mergers and acquisitions are quite common for IHO’s today. Hotel chains are growing larger, and managers are challenged to focus on the corporate identity. Balmer (2001b) has listed a number of objectives in relation to the corporate identity management:

- Fostering a sense of individuality
- Achieving differentiation in a competitive environment
- Providing disciplinary integration
- Providing a platform for coherent corporate communication
- Nurturing an image that is consistent with the organization’s defining ethos and character
- Nurturing understanding and commitment among stakeholders
- Attracting and retaining customers and employees
- Achieving strategic alliances
- Gaining support of financial markets

By considering the objectives stated by Balmer (2001b), and correlate them into an effective strategy, organizations will be able to achieve a successful corporate identity. The objectives build the foundation for the strategies organizations chose when communicating the corporate identity. (Ibid)

To establish the desired corporate identity entails “positioning” the whole organization. This can be a bit problematic since many of the available methods for establishing the desired corporate identity is developed for the positioning of product brands rather than corporate brands. (van Riel & Balmer, 1997) However, there are authors that have studied corporate branding for a long time (Balmer, van Riel, Dowling, Bernstein), and developed methods for corporate identity strategy.

### **2.2.2 Methods for revealing the Corporate Identity**

As mentioned before, the concept of corporate identity has gradually been broadened, and has now come to include the way an organization presents itself by the use of symbols, communication and behaviour. These three elements have its sources in the personality of the organization. (van Riel, 1995) The literature provides different methods of determining the actual nature of these different forms of expression as well as techniques for studying corporate identity from a wider perspective.

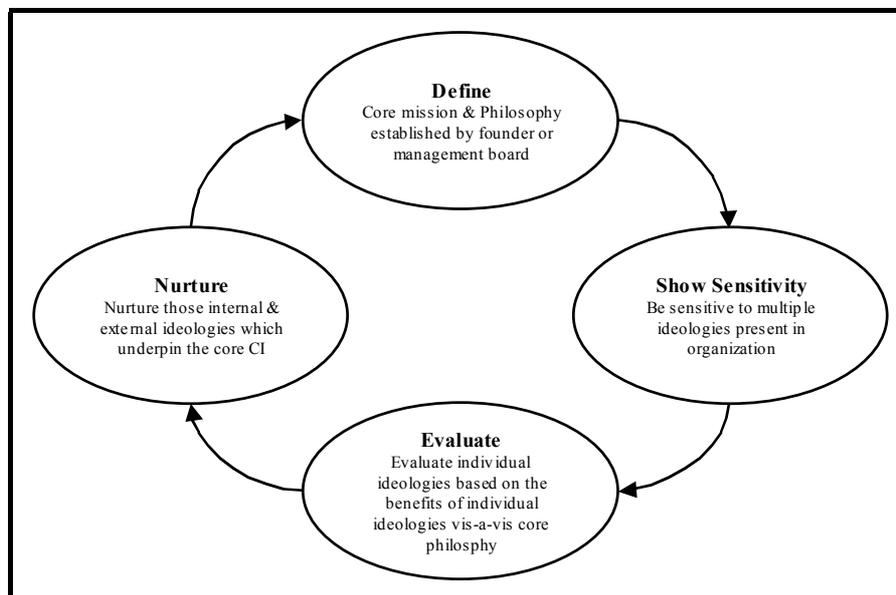
#### *Balmer’s Affinity Audit (BAA)*

Balmer has developed a method called Balmer’s Affinity Audit (BAA) that explains the driving forces, which sustain an organization’s corporate identity. Balmer’s research resulted in the hypothesis that corporate identity formation is grounded in a basic social psychological process based on affinity. This is complex and multilayered since the personnel have an affinity with a variety of values and beliefs. These values and beliefs take many different forms including those of the organization’s founder, the holding organization, the subsidiary

and business units, the professional class, and those of an external culture. According to Balmer, the key determinant of an organization's corporate identity is the corporate personality, which is formed by the composite of values and beliefs. (Balmer, 1996 in van Riel & Balmer, 1997) The BAA involves a basic four-stage process:

1. establish the corporate mission and strategy;
2. reveal the dominant systems of values and beliefs within the organization;
3. evaluate such systems of values and beliefs against the corporate mission and strategy; and
4. nurture those values and beliefs which support the corporate mission and strategy.

The advantage of this method is that it reveals the organization's corporate personality, which is to be seen as a requirement to an understanding of the organization's identity. The use of BAA makes it possible to gain knowledge about the organization's dominant values- and beliefs systems. This is achieved by looking at the everyday language, ideologies, rituals and beliefs of personnel. Figure 2.3 demonstrates the above mentioned.



**Figure 2. 3:** Basic steps in BAA

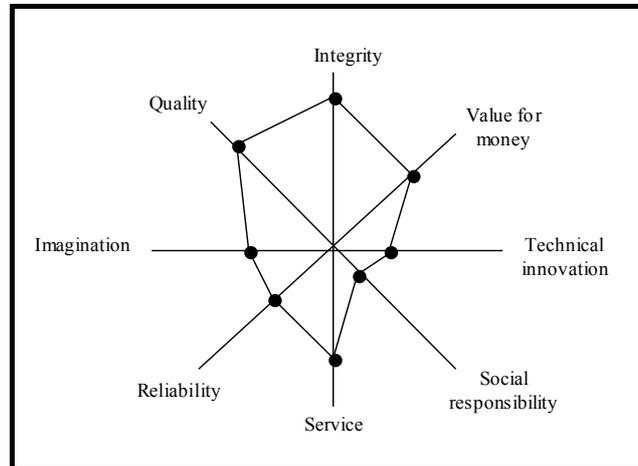
**SOURCE:** Balmer (1996) in van Riel and Balmer (1997), p. 345

In time with the discussion of corporate identity, several methods with the objective of revealing an organization's actual corporate identity have been developed. Many of the available methods derive from "traditional" consumer behavior research, i.e. survey techniques in order to ascertain an organization's external image. (van Riel & Balmer, 1997)

### *The Spiderweb Method*

A pragmatic and less time-consuming way of revealing the desired corporate identity is the Spiderweb method developed by Bernstein. This method is a qualitative technique, which is based on a group discussion with the top management, communication managers, and one or more representatives of the organization's different business units. An external consultant leads the discussion, stimulating participants to describe their organization first in general terms, followed by more specific descriptions to be summarized in individual formulation of concrete characteristics of the organization. During the next stage of the method, the participants again have to choose individually the eight most important characteristics. The

session is nearly completed when all participants fill out a form rating the finally selected eight characteristics with a school figure (from 1 to 10), regarding the actual and the desired corporate identity. The aggregated averaged group score will be presented in a wheel with eight spokes, representing a ten point-scale, with the zero value in the middle and the maximum ten values at the end of the spoke. This will result in a representation of the ideal attributes of the corporate identity, as presented in figure 2.4. (van Riel, 1995)



**Figure 2. 4:** Bernstein's Spiderweb Method  
**SOURCE:** van Riel, 1995 p.50

Once the attributes have been defined organizations should develop a corporate identity program (CIP). Van Riel (1995) defines a corporate identity program as a systematic, long-term approach to an organization's total communication activities. The aim of the program is to achieve a positive starting position for the organization in relation to its stakeholders. It is important to improve the familiarity and the approval of the organization's intentions with the stakeholders the organization has a depending relationship with. (Ibid.) In the following section a model of van Riel's corporate identity program is described, which is built on the models mentioned above.

#### *Corporate Identity Program (CIP)*

Several authors have written about the ideal way of setting up an effective corporate identity program (Balmer 1995; Dowling, 2001; van Riel 1995). Commonly, they all suggest some kind of checklist and action plan, which can be helpful in decision making. Many of these action plans tend to adopt a basic four-stage process: problem recognition; development of strategies; execution of action plan; and implementation. Most corporate identity programs are results of internal change (reorganization, employee reductions) or external turbulence (privatization, merger, threat of decreased market share). Senior managers should consider the organization's original as well as current identity before starting a plan of action. This since organizations often finds their future when examining the past. The action plans begin with an examination of the relative strengths and weaknesses in comparison with the external environment, and whether the current or original identity failed through a mismanagement of the corporate identity mix. An action plan should only be developed if the results suggest that a new identity is required and when the organization has ascertained the image of its many stakeholders. If a new identity is required, the organization will need a new communication profiling strategy as well. (van Riel & Balmer, 1997) The following five core elements should be taken into consideration when implementing a profiling strategy:

1. defining the communication objectives;
2. choosing the target groups to communicate with;
3. segmenting commercial audiences;
4. identify the key message of the corporate identity program, i.e. what should be said and how. And last;
5. organizing the corporate identity program.

Senior managers from different departments as well as different communication specialists will be involved in the process. Their main task will be to ensure consistency between behavior and corporate communication. Furthermore, managers need to evaluate the program to determine whether or not the objectives have been met, e.g. analyzing changes in knowledge, attitude and behavioral intent. (van Riel & Balmer, 1997) Once a strategic decision has been made, which only represents the organizations intention to do something, managers have to implement the strategy. This involves allocating resources, changing organizational structures and systems, and developing new capabilities. (Crook *et al.* 2003)

## **2.3 Tools to Use When Communicating Corporate Identity**

Communication efforts are a critical link between the corporate strategy and the organization's personality, identity, image, and reputation. Therefore, managers use different tools to reassure that the corporate identity is correctly communicated. Since stakeholders are influenced in many different ways organizations seek to use as many channels and methods as possible to get the message through. (Gray & Balmer, 1998) Total communication programs include both marketing and corporate communication efforts. The key differences between these are that corporate communication focuses on all the different stakeholder groups, and it has an internal dimension as it encompasses employee communication. Furthermore, the role of corporate communication is to communicate effectively between the parent organization and its subsidiaries. Finally, corporate communication uses several different communication channels. Marketing communication on the other hand uses smaller communication vehicles, which mainly aims to reach the business-to-business customers, and household consumer. (Balmer & Greyser, 2003)

### **2.3.1 Corporate Identity Communication Tools**

The question of targeting is a problem for corporate-level communicators, especially as individuals invariably belong to multiple stakeholder groups. Since this may be the case individuals may take part of both internal and external communication activities. Therefore, it is important to integrate different corporate communication so that the same language, content and design is used. (Balmer & Greyser, 2003)

#### *Mission Statements*

Once management has developed a strategy based on the mission, visions and philosophy of the organization, a mission statement including these values may be drawn. According to Olins (1989) the role of mission statement is to help managers maintain strategic decision and to remind employees what the organization is about. (Klemm & Redfearn, 2004) The authors have listed the main reasons to why organizations have a mission statement:

- To provide direction
- For strategic planning
- To supply leadership
- To motivate

Mission statements may be used for both internal and external communication. The main reason for publishing a mission statement externally is to influence City analysts and financial institutions in a positive way. Other reasons for publicizing the mission statement outside the organization are: public relations, to influence suppliers, and to influence shareholders. Different stakeholder groups are often mentioned in a mission statement such as: shareholders, employees, suppliers, customers, and financial institutions. Even though customers are the most frequently mentioned stakeholders in these statements, it is considered to be of secondary importance to actually influence them through mission statements. Research has shown that managers mainly use mission statements, as a guideline when communicating the corporate identity. Hence it is crucial that managers act accordingly. (Klemm & Redfearn, 2004) If they do so employees will redouble their commitment, efficiency, and service efforts. Hence, hospitality organizations can benefit financially by acting ethical. (Enz, 2002) Management often communicates the desired values within a organization through ethics, and ethics is often a part of the mission statement. (Stevens & Brownell, 2000) To act ethical requires a behavior that meets higher standards than what is established by law. As these standards differ between countries international organizations are handling cross-cultural ethical conflicts by developing ethical codes. Such a code is often based on moral standards, social values, and laws in different cultures. (Francesco & Gold, 1998)

### *Visual Identity*

Signs are a major part of an organizations visual identity. Furthermore, signs have the same effect as music, i.e. when a person hears a tune that it associate to a special feeling, emotions are brought up inside that person. A symbol also plays an important role in corporation's visual identity, and is often a part of a sign. This can be both negative (e.g. the Nazi symbol) and positive, hence it is extremely important for organizations to get the symbol right so that it can truly summarize what the organization wants to communicate. Symbols have a large financial value for organizations today and usually organizations are very carefully protecting their symbols through different patents. (Olins, 1989) The author further states that organizations try to communicate comfort empathy, confidence, and strength through its symbol. At the same time they want to be distinctive, modern, memorable and timeless. This is of course quite difficult to attain and therefore organizations are spending a lot of time and money on developing an effective symbol. It is however not necessary to use a symbol, and there are many organizations that prefer to communicate their visual identity through the logotypes; a special way of writing the organizations signature. Another important visual tool is information technology, and how to best use computers has been recognized as a success factors for many organizations. (Ibid.)

### *The Internet*

During the past decades the need for information technology has evolved drastically, and today most households in industrialized countries have access to Internet. This has affected the hospitality industry as well, and managers are considering how to take advantage of it in the best possible way. (Christensen, 1997) Internet should therefore also be taken into consideration when communicating the corporate identity.

Hospitality organizations can make use of the Internet by communicating directly with its stakeholders. (Piccoli *et al.*, 2001) The Internet has been defined as "a series of connected computers that can be accessed by other parties, rather like a telephone system" (Brassington & Pettitt, 2000) Network computer systems can enhance communication with different groups

of stakeholders. The real success of the Internet came with the World Wide Web (WWW), as it gave people all over the world access to information and a possibility of communicating globally. (Svensson, 2003) Organizations use the Internet mainly for communicating purposes internally and externally. Most hotel chains have a Website where people can get to know the organization better. A Website is an excellent tool for managers to communicate their vision and philosophy. International hospitality organizations often have multiple Websites, and the main use of it is for marketing and sales purposes towards customers. Through Internet IHO's is able to create customer loyalty programs for their better customers. E-mail to customers often increases revenue, and loyal customers only receive e-mails they have asked for. However, organizations have started to pay more attention to two applications on the Internet, extranet and intranet. (Christensen, 1997) Intranet is mainly used for internal purposes; this will be discussed further in section 2.4.4. An extranet is a way of connecting business partners into a secure internal computer system. This enhances the speed of communication to business partners, reducing time and costs. (Couretas, 1997) According to Christensen (1997) extranet will be the most important application for IHO's over the long-term, as it will eliminate costly intermediaries and increase sales. Moreover IHO's can selectively share information or conduct transactions with their customers or business partners. Finally, special industry associations have been formed on the Internet, where members can get substantial public information that may ease the communication flow towards stakeholders. (Ibid.)

#### *Corporate Communication Sources*

Gray and Balmer (1998) states that corporate identity should be communicated in the broadest possible sense, as stakeholders are influenced in many different ways. Many different tools should be used according to Gray and Balmer that have summarized the principal sources used by senior management, when communicating the corporate identity. The sources are presented and defined in table 2.2.

**Table 2. 2:** Taxonomy of the Principal Corporate Communication Sources

<b>Tools</b>	<b><i>Explanation</i></b>
<b>Nomenclature and Branding</b>	<i>Names used to identify the corporation</i>
<b>Graphic Design</b>	<i>The overall visual presentation of the firm, where the logo is considered the heart of the corporate graphics design system. A logotype can change several times even though not drastically</i>
<b>Formal statements</b>	<i>Mission statements, codes of ethics annual reports, and slogans</i>
<b>Architecture</b>	<i>This includes the design of building, layout and what the interior communicate to the stakeholders about the company culture. This may be more important in some countries than others, as well as in some line of businesses.</i>
<b>Media Relations</b>	<i>Media is often managed by a special public relations department, and is a very important role in a firm's communication since it can be quite risky to handle media as they can almost make or break a firm.</i>
<b>Routine Interactions</b>	<i>Stakeholders impression is often formed based on a firm's routine actions. It is therefore important for firms to train and educate personnel to be able to create a positive image.</i>

**SOURCE:** Authors' construction summarized from Gray and Balmer (1998)

*Nomenclature<sup>1</sup> and Branding:* A corporation's brand name is the principal concern for managers, as it often is the brand name that identifies the organization. By this reason, one way of communicating change in the corporate identity is to do changes in the corporate brand name. When organizations merge with another organization it may add a name to the existing one, or simply change it. For example, when the Swedish bank Nordbanken merged with the Finnish bank Merita, they jointly decided upon the name Nordea. Furthermore, organizations decide to operate under several names where each name is connected in some way to the parent organization or totally different; depending on what kind of change they want to signal. (Gray & Balmer, 1998) One of the first examples of brand extensions in the hospitality industry was when Quality Hotels (today known as Choice Hotels) extended their line into different product tiers (Comfort, Quality, and Clarion). Nowadays this is a common way of diversification within the hospitality industry. (Jiang *et al.*, 2002)

*Graphic Design:* Graphic design was originally the main focus for corporate image consultants. Overall visual presentation of organizations was considered the most important issue concerning corporate identity for quite many years. It is still very important that the visual presentation of an organization is appropriately communicating the corporate identity. Graphic design deals with logos, design style of the organizations literature, uniforms, and signs. The different styles should be coordinated so that they can be easily recognized, in order to reveal the corporate identity correctly. The most visible identity for an organization is its logo, and to change a logo often reflects a change in the organization. A change in an organization's logo communicates that it has differentiated itself from competitors. (Gray & Balmer, 1998)

*Formal Statements:* The advantage with a formal statement is that it can be accurately communicated to all different groups of stakeholders. There are several different kinds of formal statements, for example: mission statements, codes of ethics, annual reports, and organization slogans. A well-developed slogan can be very effective in conveying the corporate identity. Furthermore, a slogan may be used to communicate the position of an organization. Also, if some changes have been done in the corporate identity a changed slogan is seen as quite effective. (Gray & Balmer, 1998)

*Architecture:* How the corporate buildings are designed and the interior is used reveals quite much about an organization. Expensive interior in an amazing environment tells about an exclusive organization that is emphasizing luxury before price. Furthermore large open rooms signals an open organization that seeks insight of what the customer wants; while small dark rooms indicate privacy. Interior also tells about what kind of customers it seeks, e.g. if the rooms in a hotel are equipped with a computer and other important components for business people. (Gray & Balmer, 1998)

*Media Relations:* How an organization handle media can be crucial. Especially to the corporate identity as media play an important role in forming image and reputation of an organization. There is a greater risk of getting negative publicity than positive publicity; hence many international corporations have a department that manages media relations. In smaller organizations however, senior management usually handles media. (Gray & Balmer, 1998)

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<sup>1</sup> A system of naming things, especially in science (Hornby, 2000)

*Routine Interactions:* Based on organizations' routine actions with the employees, stakeholders form a long lasting impression of the organization. Therefore it is important to train and educate personnel to give a positive image of the organization. This is getting increasingly important for many organizations, and training sessions are becoming more common. (Gray & Balmer, 1998)

The examples in the taxonomy above should all be taken into consideration since they can effect an organizations reputation or image in a positive or negative way. Furthermore, organizations should send out a consistent and sustainable message to stakeholders, hence, all channels are equally important to consider. A reputation is something that is built over time and is therefore an ongoing process. (Gray & Balmer, 1998) Once senior management has decided upon how to use the channels presented above this need to be implemented further. This is often done via different sub divisions, such as marketing division, media division etc. (Brassington & Pettitt, 2000)

### **2.3.2 Marketing Communication Tools**

Marketing communication aim to send out a consistent message in order to create a strong position for the brand. (Balmer & Greyser, 2003) Moreover, marketing communication can either make or break a marketing mix (the seven P's)<sup>2</sup>, thus it is highly recommended to constantly keep up to date with these through analysis, planning and management. There are five major techniques within marketing communication: advertising, sales promotion, personal selling, public relations, and direct marketing. These different techniques each need to be thoroughly planned in order to attain an effective communication. (Brassington & Pettitt, 2000)

#### *Advertising*

Wells, Burnett, and Moriarty (2000) define advertising as: "paid non personal communication from an identified sponsor using mass media to persuade or influence an audience". Corporate advertising is usually originated in the public relations department that is trying to build up an personality or image around a concept, for example values that the corporation want to communicate. When a campaign has been developed it need to be communicated through different media channels such as, print media, broadcast media, and electronic media. (Ibid.)

#### *Sales Promotion*

Strategies such as coupons, rebates, and sweepstakes are commonly used in sales promotion. It can be used to support an advertising campaign in order to get a synergy effect. This is often done through some form of price reduction, gifts, and additional amounts of product. Sales promotion offers mainly three groups of stakeholders (consumers, sales representatives, and the trade) an incentive to act. The goals in relation to these stakeholders are: to increase immediate customer sales, to increase support among the marketer's sales force, and to gain the support of the trade in marketing the product. (Wells *et al.*, 2000)

#### *Personal Selling*

With the intention of create immediate and repeated sales face-to-face contact through personal selling may be used. There are two ways of personal selling: field sales, and door-to-

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<sup>2</sup> The marketing mix in service marketing includes: product, place, price, promotion, people, processes, and physical evidence. (Brassington & Pettitt, 2000)

door selling. This kind of communication is considered important for organizations selling products that require explanation, demonstration, and service. (Wells *et al.*, 2000)

### *Public Relations*

Public goodwill is the greatest asset an organization can have. A lot of effort may be put into creating a good corporate image, and only one slip can create a negative public impression, destroying what was so carefully built. Hence it is important that organizations realize this and understand how public opinions work. Since corporate identity advertising is focusing on promotion of the corporate image or viewpoint; and do not have an attention of selling a particular product, these ads are often developed at the public relations department (not the advertising department). There are many different tools to use for a public relation manager, and these can be divided into two categories: controlled media, and uncontrolled media. Controlled media is paid by the sponsoring organization and includes: house ads, public service, visual presentations, annual reports photographs and much more. As an organization pay for these kinds of public relations it can control how the message is delivered. Uncontrolled public relation however can be both controlled and uncontrolled. This includes press releases, Internet, press conference etc. (Wells *et al.*, 2000)

### *Direct Marketing*

When organizations are not using a reseller it is engaged in direct marketing. Direct marketers communicate directly with customers on a one-to-one basis. Direct marketing organizations are seeking direct measurable response. The target market is usually narrowed down, since it can be hard to make cost-effective direct mail if a large audience is being covered. However, due to the efficiency of the Internet it can cover a large audience as well. (Wells *et al.*, 2000)

To achieve a successful corporate identity requires that a consistent and sustainable message is established among all stakeholders. (Markwick & Fill, 1997) However, the responsibility of a well built corporate identity need to be a concern for all employees. Therefore, it is important to consider how senior management communicates the corporate identity within an organization. Especially since the values of the employees are considered to give important insight into an organizations identity. (van Riel & Balmer, 1997)

## **2.4 Communicating Corporate Identity Internally**

Testa (2001) claims that the most important group of stakeholders within the hospitality industry is the employees. They are a direct link between the managers and the customer and therefore special attention to how they perceive the corporation and how they communicate its identity is of great importance. (Ibid.) Internal marketing efforts are needed in order to communicate the corporate identity towards the employees. (Dowling, 2001)

### **2.4.1 The Internal Marketing Mix**

It is possible to actually focus on internal marketing by using the same variable as the four P's (product, place, promotion, and price) in the traditional marketing mix (Jones, 1986) The author emphasizes the importance of ensuring the best possible fit of internal marketing in the hospitality industry by planning the mix in the light of strategic aims. A presentation of how Jones has implemented the variables in the marketing mix, and how they can be managed for internal marketing purposes is shown in table 2.3.

**Table 2. 3:** The External and Internal Marketing Mix

<b>Variables</b>	<b>External</b>	<b>Internal</b>
<b>Product</b>	Product-mix Product-line Product-attributes Branding Packaging	Types of job Staffing levels Personnel/job specifications In-house training Appearance/dress of staff
<b>Place</b>	Cannel Point-of-sale	Layout and work flow Social skills training
<b>Promotion</b>	Advertising Sales promotion Publicity Personal selling	In-house magazines/videos In-house competitions Notice boards Role modeling/culture
<b>Price</b>	Competitor reaction Discount policy	Other employers' rates of pay Bonus/overtime policy

SOURCE: Jones (1986), p.202

The employees and their performance is the product for the internal marketer. Hence, the focus should be on types of job, training of the personnel and considerations regarding how they are dressed etc. As place refers to the circumstances in which the staff operates it requires considerations of both the physical environment and the service delivery system. Therefore this part is seen as the closest integrated variable between internal and external needs. Just as services must be promoted to consumers the importance of promoting the organization to their staff is needed. Without an extensive focus on how to develop the staff external marketing is considered wasted within the hospitality industry. Finally, price is the reward system for the employees. Different wages depending on qualifications, length of experience and higher rates for working late and weekends are the main issues for the internal marketer. (Jones, 1986)

If employees are familiar with the corporate identity they will send out this message to other stakeholders, which decrease the risk of multiple identities. It is however, important that managers find ways that employees consider meaningful to actually get them to practice the standards that are set. There are two issues managers need to decide upon before they communicate the required message towards employees: (1) how to communicate the standards properly, and (2) who should talk to the employees regarding these issues. (Stevens & Brownell, 2000)

#### **2.4.2 Communication Activities**

According to Wolvin (1994) the most typical internal communication elements are two different kinds of efforts. First the top-down communication where the employees are listening to the ideas of the management through, for example, employee news letters (where changes in the organization may be announced and good work may be recognized), and meeting with managers. Second the bottom-up communication where the employees are presenting their ideas and the management is listening. (Ibid.) Another issue to consider for managers is how the staff perceives the differences between the benefits managers receive compared to employees, including both tangible and intangible benefits. If the staff considers the differences to reasonable fair they will respond by ensuring product quality; and the other

way around. In general, the view of the organization is more favorably by managers than employees working at lower levels. (Testa, 2001)

As mentioned earlier corporate identity communication is mainly handled on a senior management level. Effective management is effective communication; therefore managers' skills in oral and written communication are essential for senior managers. Brownell (1992) has studied what kinds of activities hospitality managers use when communicating. Ten different communication activities were presented by Brownell to find out how they were perceived by general managers. These were; listening, giving feedback, persuading, managing conflicts, business letters, memos, leading meetings, writing reports, appraisal, and presentations. Brownell found that managers considered it quite easy to handle conflicts, lead discussions and persuade other. Writing memos and letters, and listening effectively was considered difficult to some degree. While, writing reports and making oral presentations were perceived as more troublesome tasks. The most frequently used activities were; listening, giving feedback and persuading. Whilst writing reports, appraisal, and presentation seemed to be used less. (Ibid)

To be successful in the communication efforts towards employees, organizations need to have a clear corporate mission, vision and philosophy. A vision should reflect an organization's shared values, and have a broad appeal so that it can reach both internal and external stakeholders. Furthermore, a vision should in an easy and appealing way sum up the intention of an organization. This includes implementing values and purposes within an organization, and these can be seen as a "compass" guiding the organization. (Dowling, 2001) To achieve a required standard of the organization, managers need to be clear when communicating the desired values. Ethical standards are a large part of organizations desired values, and are often seen as guidelines for moral behavior. (Stevens & Brownell, 2000) Values can be communicated in several different ways, however, managers often use a code of ethics presented in the organizations mission statement that clearly states the organization's vision as a compass for these values. (Klemm & Redfearn, 2004)

### **2.4.3 Communicating Values**

All personnel within an organization need to act ethical in order to communicate the desired values of an organization. It is the responsibility of the management to set the standards of what behavior that should be encouraged, and what behavior should be discouraged. (Stevens & Brownell, 2000) Ethics is something all managers need to consider, whether they truly care about it or not, as it is considered good business practice and can hurt the organization if it is not practiced. For ethical behavior to occur the employees must first be made aware of the standards set by the management, and then they need to be motivated to act accordingly. (Dwyer & Tanner, 2002) One of the most difficult tasks for managers is to impose a similar culture in the organization; to inspire employees to be committed and feel proud of working for the organization. As organizations grow and becomes more internationalized this task becomes even more difficult. The mix of sub-cultures in a worldwide corporation can be large. Hence, a thorough planning of the organizational culture is needed. (Balmer, 2001a)

Overall, strategic directions for the employees are often stated in a mission statement. However, not all organizations within the hospitality industry have a mission statement. This may be due to the fact that it is mainly the senior management that makes use of them, as a direction when communicating with employees or customers. (Klemm & Redfearn, 2004) Mission statements are, however, not enough for implementing ethical standards. Therefore

different print materials such as employee handbooks, manuals, personnel policies and procedures and other documents are frequently provided. These materials cover issues concerning acceptance of gifts, entertainment and how to act when selling a product. (Dwyer & Tanner, 2002) It is common that organizations in the hospitality industry have developed codes of ethics, as a part of the mission statement, in order to transmit the desired values to the employees. A code of ethics is addressing issues regarding personal character, customer relations, and whether gifts are admitted or not. (Stevens & Brownell, 2000) There are several different associations that have developed codes of conduct for a certain area, e.g. the National Association of Purchasing Management's Code of Ethics. The codes developed by these associations can be used as a guideline when managers want to communicate standards, or a code of their own. However, they should be taken into consideration, as they are a mutual understanding of how business should be conducted in a certain line of business. (Brassington & Pettitt, 2000)

### *Implementation of Values*

Once the management has decided what ethical message they want to communicate they need to consider how to implement these standards. Stevens and Brownell (2000) performed an exploratory study on two hotels, using all employees within each of the hotels, to find out which channel that was considered most effective for managers to use when transmitting information regarding ethics. The different channels are presented in the same order as they was ranked, i.e. training programs are considered most effective when transmitting information about ethics while participating in meetings is considered to be the least effective of the ten different channels. The last three channels presented on the list was ranked under the mean score, while number one to six was given scores above the mean. (Ibid.)

- |    |                                    |                |
|----|------------------------------------|----------------|
| 1. | Training programs                  |                |
| 2. | Coaching                           |                |
| 3. | Reading manuals or other documents |                |
| 4. | Reading ethical codes              |                |
| 5. | Watching other employees           |                |
| 6. | Watching managers                  | more effective |
| 7. | Meetings with managers             | less effective |
| 8. | Memos from managers                |                |
| 9. | Participating in meetings          |                |

Besides training programs, coaching and reading manuals or other documents was also found to serve as effective means for this purpose. However, the channel for disseminating ethical information is family and friends. Employees discuss ethics more often with family and friends than with co-workers. This implies that even though values mainly are developed in early childhood some may change or at least be modified through proper training and coaching. (Ibid.) A communication plan requires people who can communicate. As the hospitality industry is getting more internationalized, the importance of training the employees in an IHO is recognized. (Wolvin, 1994) Information regarding how the employees apprehend the organization can be a rather difficult task. However, due to the Internet organizations can now in a less time consuming and expensive way get feedback from the employees. The application Intranet is one tool that has grown drastically during the last years and today most international hotel chains makes use of it. (Christensen, 1997)

#### **2.4.4 Intranet**

An Intranet is a smaller version of the Internet, with the exception that it requires private identifications and passwords, so that it is fenced-off from externals (www.trichys.com) Intranet consists of a number of computers within an organization that are linked together. (Zinkhan, 2002) Through Intranet people can communicate and cooperate with one another. Thereby they can collect information from other divisions regarding both individuals and items. (Quelch & Klein, 1996) It also enables managers to use internal marketing and to smoothly share information within a organization. A key advantage and requirement of the Intranet is that it creates a secure environment, enabling fast message transfer. (Zinkhan, 2002) According to Quelch and Klein (1996) the greatest impact on business from the Intranet is when it comes to enable real-time communications, since information can be spread faster between divisions, especially globally. Lancioni, Smith and Oliva (2000) show that seventy percent of the companies in their study were using the Intranet, and most of them for communicative reasons.

Intranet can change the way hotels are communicating and doing business in many ways. It improves communications and workflow among employees and it will be almost impossible for international hospitality organizations to not take advantage of an Intranet in the future. The company history, financial reports, company policies, and other important information can be transferred to the employee's world wide in different languages much faster via an Intranet. Moreover, managers can make sure that all employees get the same information on their Intranet e-mail. (Christensen, 1997)

The behavior of the personnel has a direct effect on an organization's corporate identity and image. It is however not enough to only communicate the corporate identity correctly, management also need to make sure that its personnel identify with the organization's ideals and goals. Hence, organizations should find a way of evaluating how their personnel interpret the corporate identity. (van Riel & Balmer, 1997)

#### **2.4.5 Evaluation of Internal Corporate Identity Communication Efforts**

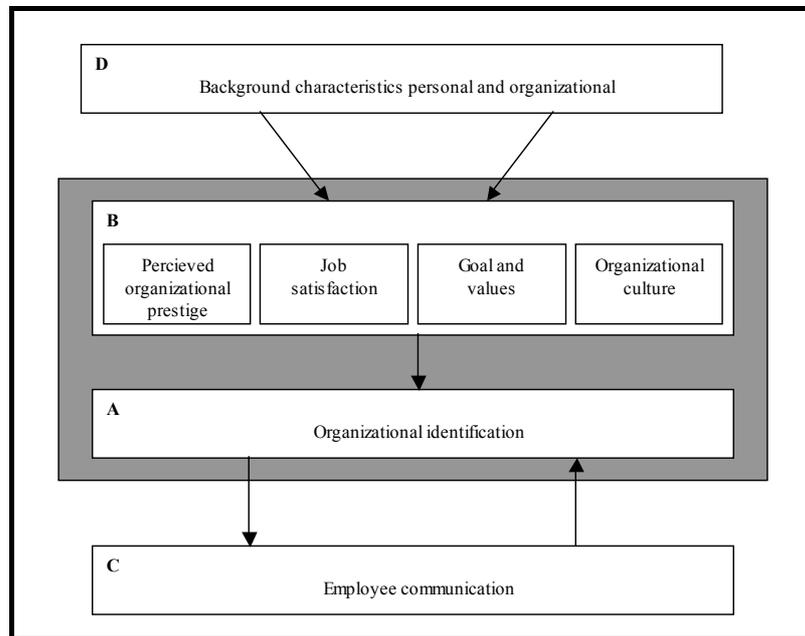
To ensure that personnel identify with the organizations corporate identity correctly, employee communication as well as job satisfaction, management style, corporate culture, and perceived organizational prestige are a must. The Rotterdam Organizational Identification Test (ROIT) is a way to measure how these variables impact on the employee's identification with the organization. (van Riel ,1995)

The employee's identification with his or her organization is the central part of the ROIT-scale. To be able to determine an individual's strength of identification with an organization it needs to, according to van Riel (1995), be established whether there is:

- a feeling of belonging;
- congruency between organizational goals and values;
- positive organizational membership;
- organizational support;
- recognition of distinct contributions;
- a feeling of acceptance; and
- security.

These aspects were used as a basis of a 15-measure scale to measure organizational identification. The complete questionnaire consists of 225 statements to which the

respondents have to indicate their degree of agreement or disagreement. The questionnaire is divided into four modules (A, B, C, D) In addition to the measurement of organizational identification (A) the five antecedents of IO are ascertained (B+C), followed by questions about employee communication (C) and personal and organizational characteristics (D).



**Figure 2. 5:** Preliminary Model of ROIT-scale

**SOURCE:** Van Riel (1995) p. 61

By applying the ROIT-scale management can detect “weak spots” in the organization, creating or voiding a supportive attitude towards the organization as a whole or predominantly towards only the part of the organization in which they are operating. The ROIT-scale is to be used to measure the actual corporate identity and is easy and cheap to apply. However, the method does not reveal the nature of corporate identity of an organization since it only provides information about the consequences of a given corporate identity. (van Riel, 1995)

## 2.5 Frame of Reference

All literature presented in the previous sections of this chapter are relevant for this study. However, some are more specific than others for answering our research questions. The theories we have found to be most relevant for each research question will be presented in this section of the chapter.

### 2.5.1 Corporate Identity Strategies

Olins (1989) have investigated the area of how an organizations structure can be identified by paying attention to how products are branded. The author has identified three different categories from which he claims an organizations structure can be recognized: monolithic, endorsed, and branded identities. Depending on which category an organization belongs to it can be presumed on which level a strategy is developed. As we found it interesting to see if it is actually possible to identify on what level an organization’s strategy is developed by its brand name, we decided to include this theory in the study.

A change in corporate identity may be necessary in order to stay competitive. Therefore, most organizations are making changes in its identity regularly, as a part of the corporate identity strategy. (Balmer & Greyser, 2003) We have found different reasons for changing corporate identity discussed by Brassington and Pettitt (2000) to be most suitable for this study, this foremost since the theory only presents reasons for a possible change, and not how to manage a change which is above the extent of this study. The reasons stated by Brassington and Pettitt are as follows:

- Datedness
- Changing or developing business
- Differentiation
- Unifying diverse activities
- Image building
- Internal motivator

When revealing the corporate identity organizations need to make a profile of how they want the environment to comprehend them, and set up objectives with the corporate identity management. Balmer (2001b) has stated nine objectives organizations should link with strategies in order to create a successful corporate identity.

- Fostering a sense of individuality
- Achieving differentiation in a competitive environment
- Providing disciplinary integration
- Providing a platform for coherent corporate communication
- Nurturing an image that is consistent with the organization's defining ethos and character
- Nurturing understanding and commitment among stakeholders
- Attracting and retaining customers and employees
- Achieving strategic alliances
- Gaining support of financial markets

The objectives build the foundation for the strategies management develops, in order to reach the stated goals of the organization. As mentioned before, the literature provides different methods of revealing the actual corporate identity as well as techniques for studying corporate identity from a wider perspective. We have chosen to pay attention to Balmer's Affinity Audit (BAA) since it presents a way of revealing an organization's personality, in a strategic manner. BAA involves a four-stage process:

- establish the corporate mission and strategy;
- reveal the dominant systems of values and beliefs within the organization;
- evaluate such systems of values and beliefs against the corporate mission and strategy; and
- nurture those values and beliefs which support the corporate mission and strategy.

A summary of the theories chosen when investigating RQ 1 is presented in table 2.4

**Table 2. 4:** Summary of Theories for RQ 1

<b>Model/Concept</b>	<b>Author(s)</b>
Categories of Identities	Olins, 1989
Change in Corporate Identity	Brassington & Pettitt, 2000
Objectives	Balmer, 2001b
BAA	Balmer, 1996 referred to in van Riel & Balmer, 1997

### 2.5.2 Tools Used When Communicating Corporate Identity

Managers use different tools when communicating corporate identity, in order to influence the audience in as many ways as possible. First senior management decides what tools they want to use (corporate communication tools) and then they forward this to middle managers that develop it further (marketing communication tools). However, since this study aims to investigate how senior managers communicate the corporate identity the focus will be on corporate communication tools.

Gray and Balmer (1998) have summarized the different sources senior managers use when communicating corporate identity. This summary will be the foundation for this research question. However, as the third research question concerns employees, routine interactions will not be discussed. The summary of sources is called the Taxonomy of the Principal Corporate Communication Sources (TPCCS), and includes:

- Nomenclature and Branding
- Graphic Design
- Formal Statements
- Architecture
- Media Relations

The Internet is a fairly new technology and much research on how the corporate identity is communicated via the Internet has not been found. However, Christensen (1997) emphasizes the importance of using the Internet for IHO's. Therefore we have chosen to investigate whether Websites are considered to be a useful tool for this purpose.

The theories chosen in connection with RQ 2 is summarized in table 2.5

**Table 2. 5:** Summary of Theories for RQ 2

<b>Model/Concept</b>	<b>Author(s)</b>
TPCCS	Gray & Balmer, 1998
Internet	Christensen, 1997

### 2.5.3 Communicating Corporate Identity Internally

Internal corporate identity communication concerns how different values should be implemented within an organization. Many organizations are concerned with ethical issues when they communicate the corporate identity. Stevens and Brownell (2000) have presented the most effective channels for managers to use when transmitting information regarding ethics. Through ethics management communicate the desired values within an organization

(Stevens & Brownell, 2000) Hence, we will use the channels presented by Stevens and Brownell when investigating effective implementation channels for communicating the values stated in a corporate identity strategy.

- Training programs
- Coaching
- Reading manuals or other documents
- Reading ethical codes
- Watching other employees
- Watching managers ..... more effective
- Meetings with managers ..... less effective
- Memos from managers
- Participating in meetings

Intranet is according to Christensen a communication tool for IHO's. However, he does not discuss how Intranet is communicating corporate identity. Nevertheless, whether IHO's are using an Intranet or not as a tool when communicating its corporate identity, is interesting to find out and will therefore be added to the list above.

- Intranet

It is not enough to only communicate a required standard; organizations need to make sure that the message has been correctly transferred. van Riel (1995) discusses how organizations can measure the actual corporate identity through a standardized test that the employees get to fill out. Even though this test do not actually reveal the nature of the corporate identity, managers finds out if the right message of the corporate identity is interpreted correctly among personnel. Therefore, to what extent organizations evaluate the suggested variables in the ROIT-scale will be investigated. The variables that will be investigated are:

- Evaluate
- Weaknesses & Strengths
- A feeling of belonging
- Congruency between goals and values
- Positive organizational membership
- Organizational support
- Recognition of distinct contributions
- A feeling of acceptance
- Security

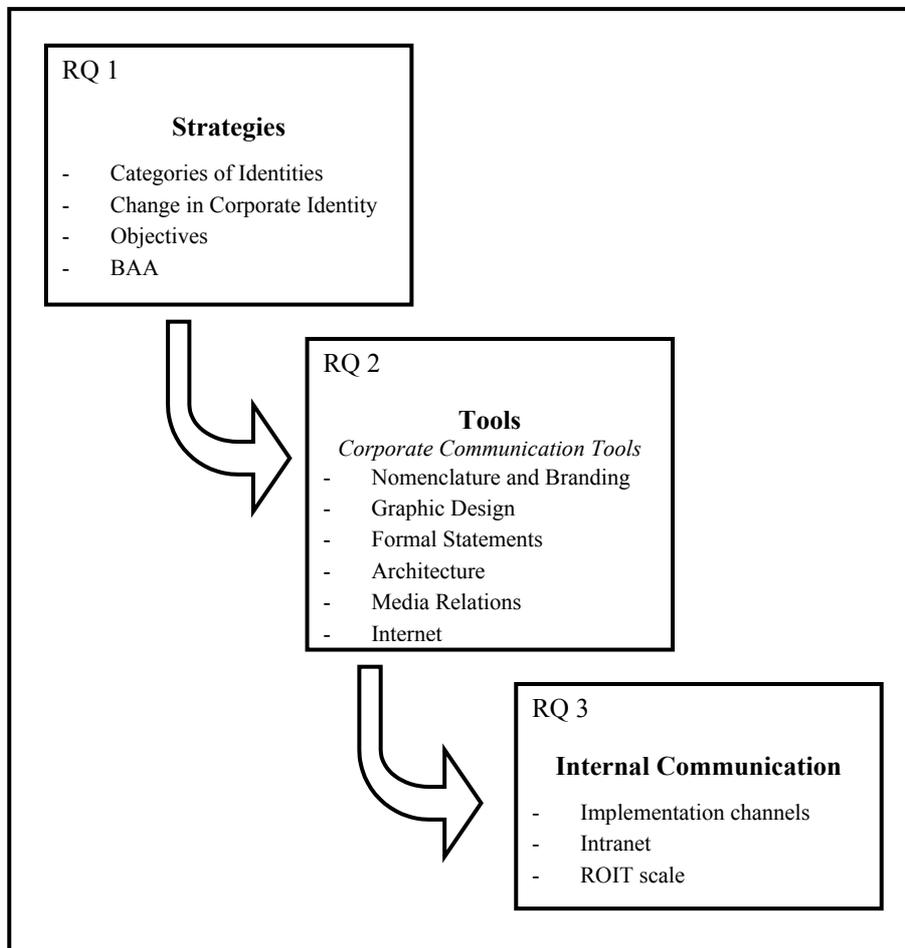
The theories chosen for RQ 3 is presented in table 2.6

**Table 2. 6:** Summary of Theories for RQ 3

<b>Model/Concept</b>	<b>Author(s)</b>
Implementation Channels for Ethics	Stevens & Brownell, 2000
Intranet	Christensen, 1997
ROIT scale	van Riel, 1995

### 2.5.4 Emerged Frame of Reference

To get a better picture of what is going to be investigated in this study and of what theories we have chosen to base our investigation on a visual construction is presented in figure 2.6. It also shows how each research question is connected.



**Figure 2. 6:** Emerged Frame of Reference

### 3 Methodology

*The emerged frame of reference, presented in the previous chapter, has been tested in two case studies with interviews. The results of these will be presented in chapter four and five. This chapter serves as a guideline so the reader can follow how the research problem has been accomplished. Furthermore, the choice of methodology used for collecting data is presented and justified.*

The aim with the research methodology in this chapter was to give us guidelines for how we should collect the needed data, and how to analyze it. The reason for structuring the methodology is that it increases the possibilities of getting valid information so that we in a honest way can answer our research questions and draw conclusions.

#### 3.1 Research Purpose

The purpose of a research may be exploratory, descriptive or explanatory. (Yin, 1994) However, it is possible to use more than one of these research strategies, depending on the purpose of the study. (Saunders, Lewis & Thornhill, 2000) An exploratory research aims to define questions and hypothesis (Yin, 1993), and is carried out when there is little or no knowledge of the subject discussed. (Sekaran, 1992) Descriptive research is a complete description of a phenomenon within its context. (Yin, 1994) This kind of research is often used as a forerunner to exploratory research in order to get a good picture of a phenomenon. (Saunders *et al.*, 2000) Finally, exploratory research explains causal relationships between cause and effect. (Yin, 1994) Saunders *et al.* (2000) recommend using this method for testing correlations, to be able to get a better picture of relationships.

Our purpose with this study is to gain a deeper understanding of how corporate identity is communicated in IHO's by describing it. We have chosen to conduct a descriptive research by putting together findings from several authors and combine these so that they form a base for this research. These findings are then supported, or not, by information from two different experts within the area. However, when identical information on the subject came forward in both interviews, without being discussed in connection with corporate identity in literature, we decided to still present these new findings. Therefore the study can be seen as somewhat exploratory.

#### 3.2 Research Approach

The two main research approaches are: qualitative and quantitative. Qualitative research tends to apprehend words and use them as the main factor for analysis, while quantitative research tends to use figures. (Denscombe, 1998) Furthermore, qualitative research is exceptionally helpful for identifying the scope of the research and should be used to fully understand the views, opinions and attitudes that the researcher might come across. (www.ryerson.ca) The strength of qualitative research is, according to Silverman (2000), that it focuses on actual practice and looks at how social interactions are routinely performed. The most common quantitative research techniques include: observation, experimentation, and surveys. (www.ryerson.ca)

This study aims to gain a deeper understanding of how corporate identity is communicated in IHO's. Travers (2001) claims that qualitative research is simple to perform and may very well be used for research on business organizations. This led us to use the qualitative approach

since it will give us the opportunity of gaining a deeper understanding of the phenomenon. Since the empirical data will be based on words, which then will be used as the main factor for the data analysis a qualitative approach is the best choice. Furthermore, as this approach helped us to fully understand the subject discussed and what it focuses on in practice we considered it useful for this study. When using this approach we also got an opportunity to come close to our source of information, and we regard this as crucial for gaining information on attitudes, and getting reliable information.

### 3.3 Research Strategy

The three major research strategies are, according to Eriksson and Wiedersheim-Paul (2001): experiments, surveys, and case studies. Yin (1994) states that each of these strategies has advantages and disadvantages depending on three conditions; the type of research question; the control an investigator has over actual behavior events; and the focus on contemporary versus historical phenomena. Each of these could be used for all different research purposes. (Ibid.) To easier see the connections and differences between the five research strategies and conditions, they are summarized in table 3.1.

**Table 3. 1:** Relevant Situations for Different Research Strategies

Strategy	Form of Research Questions	Requires Control Over Behavioral Events?	Focuses on Contemporary Events?
Experiment	How, why	Yes	Yes
Survey	Who, what, where, how, many, how much	No	Yes
Archival analysis (e.g. economic study)	Who, what, where, how, many, how much	No	Yes/No
History	How, why	No	No
Case study	How, why	No	Yes

**SOURCE:** Yin, 1994, p. 6

Yin explains that using case studies is a preferred strategy when: how or why questions will be answered; the researcher do not have much control over events; and the focus is on contemporary phenomenon within some real life context. In case studies, a few objects are studied, but in greater detail and many dimensions, as opposed to studies with statistical methods. (Eriksson & Wiedersheim-Paul, 2001)

Following Yin's discussion and given that we want to gain an in-depth perspective, it appears that a case study would be the most suitable research strategy for this study. Furthermore, all the research questions posed in the first chapter begin with "how", which also indicates that a case study is the appropriate strategy to use. Moreover, we did not seek to have control over events, only to investigate contemporary events. Finally, case study as a research strategy is often associated with qualitative research. (Yin, 1994)

#### 3.3.1 Case Study

Robinson (in Saunders *et al.*, 2000) defines case study as the "development of detailed intensive knowledge about a single 'case', or a small number of related 'cases'". When a case

study strategy is chosen the data collection may include several different methods such as interviews, questionnaires, and documentary analysis. Even though some may claim that case studies have an “unscientific” feel, case studies can be very valuable means of exploring existing theory as well as challenge it. Moreover, case studies can be used as a base for new hypotheses. (Saunders *et al.*, 2000) Case studies are, as mentioned, good for gaining a deep understanding of one or a few subjects, not for generalizing. (Eriksson & Wiedersheim-Paul, 2001) The logic behind using a case study strategy is the possibility of finding information that could not have been discovered if multiple cases, e.g. surveys, had been used. (Denscombe, 1998) A summary of the characteristics of case studies is provided in table 3.2.

**Table 3. 2:** Summary of Characteristics of Case Studies

<b>Case Studies are Characterized by emphasizing</b>		
Depth of the study	rather than	Width of the study
The special	rather than	The general
Relationships/processes	rather than	Results and final products
Holistic point of view	rather than	Separate factors
Natural environments	rather than	Artificial situations
Several sources	rather than	A single research method

**SOURCE:** Denscombe (1998), p. 43

Due to the descriptive and somewhat exploratory nature of this study, a deep understanding of the subject is necessary; and therefore a case study seems appropriate. Furthermore, to fulfill the purpose of this study it is essential to find special aspects, not general ones, and also to investigate processes and relationships in a natural environment. To gain a deep understanding it is impossible to use multiple cases, since we would not be able to discover clues for specific details by using for example surveys. As a result of this, we have chosen to use only two case studies for collecting our empirical data. Furthermore, in line with what Denscombe suggests, three sources of evidence were used.

### 3.4 Data Collection

After having chosen a research strategy, the researcher needs to decide what method to use for collecting data (Yin, 1994). According to Saunders *et al.* (2000) there are two types of data, secondary and primary data. Data that has already been collected by other researchers for another purpose is called secondary data. (Ibid.) Primary data is data that a researcher collects on his/her own for a specific purpose. (Eriksson & Wiedersheim-Paul, 2001) In this study we have chosen to collect material from both primary and secondary data.

According to Yin (1994) there are six different sources for data collection; documentation, archival records, interviews, direct observations, participant observation and physical artifacts. All of these sources of evidence have both strengths and weaknesses, but none is considered superior to the other. Yin therefore recommends using several of them. For example, he states that, documents can be used in conjunction with other sources of evidence such as interviews. Interviews are a good source of evidence when case studies are about human affairs, since these are best interpreted through the eyes of a well-informed respondent. (Ibid.) Furthermore interviews are the most advantageous approach when a large number of questions need to be answered: questions are complex or open-ended; and the order and logic

of questioning need to be varied. To use structured interviews are best when conducting descriptive research; and semi-structured once are good for exploratory research. (Saunders *et al.* 2000) To complement interviews Yin (1994) recommends using documentations, especially when conducting a case study.

The main source of evidence used in this study is interviews. An interview guide was created based on the frame of reference presented in chapter two. The interviews were conducted in Swedish, which is the mother tongue for both the respondents and for the researchers. According to recommendations by Yin (1994), a tape recorder was used during the interviews in order to register the empirical data. The respondents were aware of the recorder and they had no objections to it being used. Notes were also taken during the interviews. The time for the interviews was limited, and as Yin (1994) recommends in this situation, as in compliance with what Saunders *et al.* (2000) recommends, focused (or semi-structured) interviews were conducted. This enabled us to have a dialogue with the respondents and ask questions that were open-ended but still gives well-structured interviews. However, at points during the interviews the discussion ran smoothly and we felt that it was not necessary to stick to the questions in the interview guide, and thereby allowing the interviewees to express themselves freely. When choosing between face-to-face or telephone interviews, our choice fell on face-to-face interviews, since we were invited by the interviewees to visit their offices and hotels in Stockholm, Sweden. The main advantages with this kind of interview are, according to Sekaran (1992), that the researcher can adopt questions, clarify doubts, pick up on body language, and ensure that the questions are properly understood.

As Yin (1994) points out, documentations are relevant to every case study. The documentation that we have used includes written reports and newspaper articles. Another, rather new, secondary source of evidence is home pages, which are according to Saunders *et al.* (2000), if thoroughly and well developed, an excellent way of gaining information about an organization. However, this source of evidence has not yet been evaluated much in literature. To gain general information about the organizations investigated, the home pages and documents provided by the respondents were utilized.

By mixing and matching several methods triangulation can take place, and enhance the quality of a research. Triangulation is “the use of different data collection methods within one study in order to ensure that the data are telling you what you think they are telling you”. (Saunders *et al.*, 2000) The triangulation in this study consists of documentation, interviews and home pages.

### **3.5 Sample Selection**

When the sources of evidence have been chosen, next step is to decide appropriate sample(s). The intention with this study was to investigate how corporate identity is communicated in IHO's. As IHO's located in Sweden would facilitate the interview process, and due to the limited time frame of the study the authors decided to contact the IHO's available in Sweden. The next step was to contact the different IHO's in order to locate the appropriate respondents and to explore the possibility of an interview. The choice of organizations finally fell on where the best contacts were made. The chosen IHO's for this study are Scandic hotels and Radisson SAS. Both Scandic and Radisson SAS are part of large global organizations and have hotels in several countries. To study how these organizations are communicating its corporate identity, and to compare these two organizations would prove to be very interesting.

The selection of interviewee at Scandic was made on recommendations from the first telephone contact with the organization. After this phone call, an e-mail inquiry was made to the respondent, where the respondent got information of what was going to be investigated; to reassure that the respondent was the right person to answer the questions. The respondent at Scandic has a vast experience from the hospitality industry, and is furthermore well-educated within the area researched.

The respondent at Radisson SAS was chosen on recommendation from a contact to one of the researchers of this study. Telephone contact was made in order to inform the respondent of the purpose of the investigation and to make sure that that the respondent would be able to answer the questions. Even though the respondent did not have long experience of neither the organization nor the branch, she assured us that she could answer most of our question since she have a long experience of management within other organizations and understood the subject of the investigation. Regarding the questions she was unable to answer, she found out the answers through contacting the right people and e-mailing back to us.

### **3.6 Data Analysis**

In order to answer our research questions the collected data needs to be thoroughly analyzed. Yin (1994) describes two different analytic strategies to choose between before actually analyzing the data; relying on theoretical propositions or developing a case description. Since there is previous research made on communicating the corporate identity, we relied on theoretical propositions when developing our analytical strategy. Both a within-case and a cross-case analysis will be performed since we are analyzing two organizations. When analyzing the data we have decided to follow the proposition of Miles and Huberman (1994); that the collected data should be analyzed in three stages:

- (1) *Data reduction*: This stage of qualitative data analysis selects, abstracts, simplifies, focuses , and transforms the collected data. The purpose is to organize the data so final conclusions can be drawn and verified.
- (2) *Data display*: When having reduced the data, is should be displayed in an organized, compressed way, enabling easy conclusion drawing
- (3) *Conclusion drawing and verification*: In this stage the researcher decides the meaning of occurrences, noting regularities, patterns, explanations, possible configurations, casual flows, and propositions.

It is furthermore important to make sure that the data analysis is of highest quality possible. Therefore we have decided to follow the four principles recommended by Yin (1994). The first thing to consider is that as much evidence as possible has been sought and that no loose ends have been left in the interpretation. Second, all major rival interpretations of the subject should be included. Third, the most significant aspects of the case studies need to be addressed. Finally, authors' own expert knowledge, on the studied issue or similar ones, should be brought in.

We have chosen and collected appropriate data form our two interviews. Information that was not necessary for our study has been excluded, to not confuse the reader and to make it easier to draw conclusions. Furthermore, different opinions and interpretations among the interviewees and theory has been noticed and presented. Finally, the aspects that came forward the most during the interviews have been highlighted.

### 3.7 Quality Standards

It is important that a research project has high quality, and this cannot be achieved only through collecting data. The criterion for testing whether a thesis has high quality or not is whether the research instruments are neutral and if the same conclusions should be drawn by other researchers. (Denscombe, 1998) To increase the possibility of getting the right meaning of the answers, researchers have to pay extra attention to reliability and validity. (Saunders *et al.*, 2000)

#### 3.7.1 Validity

To increase the construct validity, there are, according to Yin (1994) three tactics to consider. The first is the use of *multiple sources of evidence*, in a manner encouraging convergent lines of inquiry. In this study we have used interviews, Websites and documentations. This triangulation increases the validity. The second tactic is to *establish a chain of evidence*. For this reason, references have been made to all sources we have used throughout this thesis. The final tactic is *to have the draft of the case study report reviewed by the respondents*. In order to eliminate possible misunderstandings or misinterpretations our respondents reviewed the draft report. Furthermore, our supervisor, who has long experience of this kind of work, regularly, has reviewed the draft report. Our supervisor, who considered the questions stated to be valid, also reviewed the interview guide. We proceeded by e-mailing the interview guide to our respondents. This was done three days before the interview was conducted, in order to give our respondents an opportunity to prepare themselves.

Internal validity is about establishing casual relationships and concerns explanatory and causal studies only. (Yin, 1994) Hence, internal validity is not a concern for this study.

According to Yin (1994), external validity deals with the problem of knowing whether a study's findings can be generalized or not. Two case studies is a poor base for generalization. However, if case studies rely on analytical generalizations, which should try to generalize findings in theory, external validity can, according to Yin (1994), still be high. Eriksson and Wiedersheim-Paul (2001) identify the dilemma of knowing if the respondent is answering correctly as another problem to obtain external validity. In our thesis we have taken this into consideration when choosing respondents for our interviews. We judge that the respondents at Scandic and Radisson SAS to be capable of answering our questions. The respondent at Scandic was recommended by the organization after our first contact with it where we presented what kind of issues we wanted to get answers on. Furthermore, she has a vast experience within the business and is educated within the field. Moreover, does she work with corporate identity issues on a daily basis. Hence, we consider her expertise to be valid. The respondent at Radisson SAS has a long experience within management and recognized the subject investigated. Even though her experience within the organizations was not vast, we consider her knowledge within the field to be valid as she is working with this kind of issues on a daily basis.

#### 3.7.2 Reliability

Reliability is concerned with whether other researchers would have gotten the same results if they performed the same research with the same methods. In other words, the reliability indicates the stability and consistency with which the used instruments are measuring the issue studied and helps to assess the quality of a study. (Sekaran, 1992) The goal is to minimize errors and biases in the study (Yin, 1994)

We have increased the reliability of this study by letting the respondents choose the week, day and time most suitable to them. This ensures that the respondents have set time apart to participate in the interview and that they have a positive attitude towards participating. The interviews took place in a calm and relaxed environment, and neither the respondents nor the interviewers were stressed. A tape recorder was used during both interviews, which lasted for one hour each. Notes were taken simultaneously, which gave us the opportunity to double-check the information in order to reduce the risk of misinterpretations. By having open-ended questions where we ask the interviewees to explain in their own words, instead of leading them to the answer, we have tried to avoid subject bias. We also paid attention to the respondents' body language and reactions in addition to their words. This added silent information gives surplus value because there exist a possibility to confirm that there is concordance between the spoken word and the corporal expression. The interview was conducted in Swedish, but the result was translated into English, which might cause translating errors and threat our reliability. In order to facilitate the interview process, one researcher was conducting the interview, while the other was handling the tape recorder as well as taking notes. Since both interviewers were present at both interviews, observer error is not of major concern for the reliability of this study. After we had compiled the data, we sent a copy of the chapter to our respondents in order to avoid any misunderstandings. The respondents added and changed some facts and we also asked some additional questions where we felt it was needed. Observer bias is another important issue to avoid according to Saunders *et al.* (2000). To avoid this, both interviewers first interpreted the results individually, and then discussed and compared where different interpretations showed, in order to reach consensus.

## 4 Empirical Data

*In this chapter the empirical data collected through primary and secondary sources will be presented. Each section will start with a brief introduction of the organization. Then findings from the interviews with Martina Frisk at Scandic Hotels, and Jeanette Alvinder at Radisson SAS will be portrayed. We have chosen to present the data as it came forward in the interviews, since we did not consider it to be logical for the reader if presented otherwise. All data presented in this chapter is collected either from the interviews, the organizations home pages' or other material received from the two organizations.*

IHO's are often owned by large organizations active within several different industries. This is the case for both IHO's presented in this study, Scandic Hotels and Radisson SAS. It is common that IHO's have several brand extensions, which focuses on different target audiences, and are therefore using different tools when communicating the corporate identity. To avoid confusing the reader, only one of the hotel brands within each IHO will be investigated. Senior managers are those who develop the strategy (RQ 1) presented at each organization. Although it may differ if it is used in the whole organization, or if different strategies are used for different hotel brands. The corporate identity tools (RQ 2), and how the corporate identity is implemented internally (RQ 3), are also decisions made on senior management level, but with a focus on a specific brand.

### 4.1 Case one – Scandic Hotels

Scandic hotels started in 1963 with a Motor Village concept under the name Esso Motor Hotel in Laxå Sweden. The name Scandic Hotels AB was acquired in 1984. Today the organization can be found in ten countries; Sweden, Norway, Denmark, Finland, Estonia, Germany, Belgium, the Netherlands, Lithuania and Italy. Scandic Hotels consider itself to be the leading mid-market brand in the Nordic European region with 137 hotels. The hotels offer accessible accommodations for business travelers as well as the family traveling with children. During the past 40 years the organizations business concept has somewhat changed even though it has the same vision; to be the leading mid-market hotel brand in Europe. During the nineties the organization acquired several hotels, and reached the number of more than 100 hotels in the Nordic countries of Europe. In 2001 the London-based Hilton Group PLC acquired Scandic Hotels, and since then the different hotels have been integrated into the Hilton family but still under the Scandic brand name. Together with the Hilton Hotels Corporation in the US it now offers more than 2,400 hotels all over the world. Scandic Hotels' has an annual turnover of approximately £460 million.

#### *The Hilton Group Plc*

The Hilton Group Plc has two main lines of business: The Hilton International who owns the rights to the Hilton trade mark worldwide (with the exception of the United States), and Ladbrokes which is one of the world's largest gambling and betting companies. Today the Group is one of the largest companies at the London Stock Exchange with an annual turnover of approximately £5.5 billion, and more than 77 000 employees worldwide. The Hilton Group Plc, which is considered to be a very different hotel chain compared to Scandic Hotels, became interested in Scandic Hotels, as it was an opportunity to enter the Scandinavian hotel market. It has been very difficult for IHO's to enter this market, as natives own the main part of the hotels. As a matter of fact, the Hilton has tried to enter the Scandinavian market since the fifties, but did not accomplish this until in 2001, when the organization acquired the Scandic Hotels. Through the acquisition, the Hilton Group Plc got hold of a mid market hotel

brand that was well known and that had many hotels in Scandinavia. The Hilton Group Plc did not seek to use the Hilton brand as a mid marked brand, hence the Scandic Hotels brand was kept in its original form with a potential of growing further in Europe. Another reason for the acquisition was that the Hilton Group Plc wanted to make their brand as well known as possible worldwide, and it was concluded that it was not as well known as desired in Scandinavia. The fact that the Hilton Group Plc paid a significantly large sum of money to get hold of the Scandic Hotels' brand and its personnel, as Scandic Hotels do not own the hotel buildings, signifies this. Today, a few of the Scandic Hotels have been branded the Hilton, for example, the Hilton Stockholm Slussen, and the Hilton Malmö City.

The interviewee, Martina Frisk, is working as a Media coordinator for both the Hilton and Scandic in Scandinavia, and she has done so for approximately two years. She has a vast experience from the hospitality industry, and before she started to work for Scandic she was employed at the First Hotels for four years. The interviewee has a bachelor of arts in hotel and restaurant management, and a minor in business administration.

Scandic Hotels is referred to only as Scandic in every day speech; hence this study will also do so hereafter. Moreover, the Hilton Group Plc will be referred to as the Hilton, to facilitate for the reader.

#### **4.1.1 Strategies Used For Communicating the Corporate Identity**

The values and norms, which the organization is currently working after, was developed in 1994 when the organization changed to a new senior management team that had its previous experience within industrial businesses. This new team made the organization rethink the whole idea of how business should be conducted, and to focus on more things than service. To stay competitive the new CEO believed in running the organization like in the industrial industry, and focus on economies of scale; hence a new identity of the organization was created. The CEO stated that the main focus for Scandic should be on ecological issues, and social responsibilities. This together with business entrepreneurship thinking would come to create the new identity for Scandic.

In the late nineties this new way of thinking became a well-developed strategy called "*the compass of profitability*"<sup>3</sup> It was important that the same message was well communicated from senior managers to all coworkers of Scandic. The compass was developed in order to transfer the message management wanted to communicate in an easy, consistent, and decisive way. The strategy contains three main elements: economical, ecological, and ethical; also referred to as *the triple bottom line*. The economical element includes the issues of efficiency and business entrepreneurship. The ecological element involves issues regarding the environment and health. The ethical element consists of issues regarding safety and security, and the society. In the center of the circle Scandic have summed up these elements as: thoughtfulness; to care about others. This is how Scandic wants to communicate their philosophy, and before making a decision within the organization these elements should be considered. This is the main strategy used by Scandic that imbues the whole organization. When the Hilton acquired Scandic it was impressed by the way the corporate identity was communicated, and therefore it decided to use the already existing strategy. However, Scandic modernized its logotype to reflect that some change had been made, and to better reflect its uncomplicated Nordic nature. Still, the original idea of providing easy accommodation along main travel routes remains.

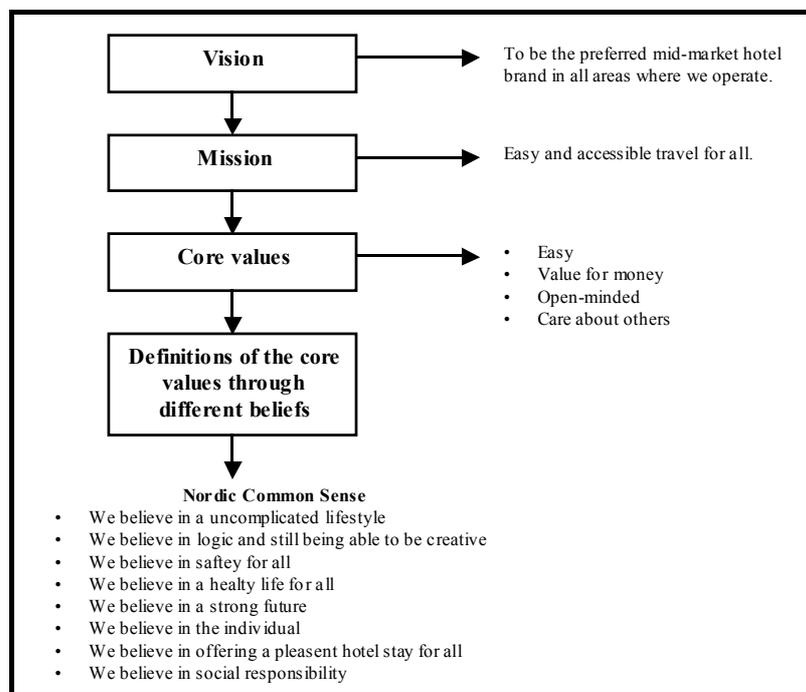
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<sup>3</sup> For a visual description of "the compass of profitability", see Appendix III

It is important for the organization that a decision is based on as many of the elements in the compass as possible. For example, when choosing between two deals and one is economically profitable and the other is regarding environmental and ethical issues, the organization prioritize the deal that involves most of the elements, i.e. the latter. This may not always seem like the most realistic thing to do, from an economical perspective, but Scandic believes the concept will pay off in the long run, especially as people are getting increasingly concerned with social and environmental issues. Moreover, it is important for the organization that the elements are made visible for all stakeholders.

The objective with the communication efforts at Scandic regarding the corporate identity is to let the audience know that their hotels are open for all kinds of people. It should reveal Scandic's business idea "easy and accessible travel for all". One way of emphasizing this is to offer alternative rooms for people who are physically challenged. Scandic have employed a person for this purpose, which makes sure there are rooms that fit all different kinds of disabilities. The focus on all different kinds of people has made the management develop another important objective to communicate, thoughtfulness. By focusing on "all", and not having a specific target audience, is a way of differentiating themselves from competitors, as Scandic claims that the main part of international hotel chains are segmenting and focusing on a specific target audience. Moreover, to make the stakeholders aware that they are taking a social and environmental responsibility is an important objective for Scandic, and emphasizing *the elements in the triple bottom line* mainly does this. *The triple bottom line* also communicates the organizations corporate identity in a rather uncomplicated way that makes it easier for the co-workers to understand what the organization is all about; hence the employees can easier get a feeling for the corporate values.

Scandic describe the company philosophy among senior management visually by drawing how it wants to define the corporate identity. This in order to clarify the business idea of the organization, and create a corporate identity, see figure 4.1



**Figure 4. 1:** Corporate Identity Strategy at Scandic Hotels

**SOURCE:** Authors' construction summarized from Frisk (2004)

As mentioned earlier, Scandic are not targeting a specific segment, the organization wants to clarify that all kinds of people are welcome to stay at its hotels. Moreover, Scandic want to elucidate through their brochures that it is mainly focusing on the well being of the customers and the coworkers. If Scandic should have to choose which of the stakeholder groups it considers to be the most important it is the employees, and the safety of their employees is highly regarded.

Scandic believes that one of the keys of being able to reach as broad an audience as possible, is that the organization is not using franchising. Scandic explains that franchising entails different owners; hence different ideas need to be met. By applying a similar strategy to the whole organization the message can be kept consistent, thus misunderstandings of the corporate identity can be avoided. Moreover, when a change in the corporate identity is needed the decision-making process runs much smoother, as Scandic do not have to take the ideas of different franchisers into consideration.

When Scandic refers to the uncomplicated Nordic life in their marketing, it wants to convey a trouble-free message, as it is considered to attract most (hopefully all) people in different categories. The Nordic lifestyle in Scandinavia is regarded to be signaling common sense, and a cool and undemanding lifestyle. However, to implement this internationally has been a challenge since the lifestyle in the Nordic parts of many European countries may be looked at quite differently. Scandic is well aware of this problem, and are currently working on how to communicate this lifestyle in a way that make sense throughout Europe.

The organization is putting a lot of emphasis on ecological issues, and is earning the Swan, a Scandinavian eco label. This label is considered one of the toughest eco labels in the world, and to fulfill the Swan standards requires a long-term commitment. Every year hotel rooms are being rebuilt in order to live up to the environmental standards put by the organization. As a matter of fact Scandic have over 10 000 rooms of which 97 percent are made by material that can be retrieved. Moreover, the hotel breakfasts at Scandic hotels use only eco labeled brands. This is possible since Scandic are purchasing food for every hotel jointly; thus it gains economies of scale. Scandic claims that this kind of cost reduction is difficult for competitors to reach, since many separate hotels within a hotel chain often prefers to use local suppliers that may often also be much cheaper to use. Due to this it is difficult for competitors to keep up with the modern ecological thinking Scandic practices; and Scandic consider this to be a competitive advantage.

It is not only advantages with having the same policy for all Scandic hotels, Scandic believes that the organization has been perceived as a quite boring and stereotyped for a long time due to this policy. However, Scandic is not trying to deny or feel ashamed about the history of the organization, even if they want to change this reputation.

Scandic has had a monolithic identity for many years, however as the Hilton acquired the organization it is nowadays described as a branded identity. Most people do not realize that the Hilton is the owner of Scandic. The concepts in the two different hotel chains is very different, hence it may be difficult to connect them. This is a deliberate strategy of the Hilton since it consider the concept of Scandic to be a well functioning mid-market brand, and it was what the Hilton were searching for when they acquired it.

#### 4.1.2 The Managerial Tools Used When Communicating Corporate Identity

Scandic have used the same brand and logo for a long time, and the organization does not consider changing the brand name. The brand name Scandic, however, is still the same even though the Hilton has acquired the organization. This since the organization wanted to communicate that Scandic still has the same values and goals. Furthermore, the organization has put a lot of effort in building the brand name and to change it would not only be very expensive but it would also take time to make the audience aware of a new brand name. However, in 2002 Scandic decided to do minor changes in the logo by using a different typo and color on the text. The new logo is of a classical typo and even though the prototype has a dark red color, it is possible to use different colors and backgrounds when promoting the identity so that it will suit the purpose of a particular promotion campaign. Moreover, different colors on the organization's literature may be used. However, on all new organization literature the new typo of the logo will be used. Scandic consider the classical typo to be communicating the uncomplicated lifestyle of the Nordic countries, and that the organization is available to all not only to a specific target group. Moreover, the sun, which Scandic have used as a symbol in their logo for many years, was removed. The symbol was removed after a vast research performed by the organization. In this research it emerged that most of Europeans considered the sun to be connected with summer, sun, charter, and low price alternatives; and this is not the corporate identity Scandic wants to communicate. From now on Scandic will not use any particularly symbol for its signs. The change of the corporate logo and signs is something Scandic is doing over a period of time; hence the old signs with the logo can still be seen on several of Scandic's hotels.

A major issue for the organization is diversity. For example, Scandic allows their employees to wear a veil. Moreover, different uniforms for different positions within the hotels are not required; instead employees can choose among different uniforms in a catalogue. Through this Scandic communicates the value of welcoming all people in the organization, internally as well as externally.

Scandic's mission statement is "to access easy travel for all", and is considered to be a useful tool when communicating the organizations corporate identity. Therefore, it is used and presented as often as possible. However the organization does not have any large statement including the most important stakeholder groups or an code of ethics, instead the organization uses the different values developed in figure 4.1, to communicate the corporate identity. After the acquisition by the Hilton Scandic developed a brochure, which is telling about the organization's history, and the changes Scandic has been through since the beginning in 1963. This brochure was carefully developed in order to be interesting enough to read for all different kinds of individuals, and to ensure that the audience would still recognize the organization and the corporate identity of it. It was important that the brochure was based upon *the triple bottom line* in their *compass of profitability*, to ensure that a consistent message is communicated. Furthermore, all the different values developed by Scandic came forward in this brochure. Scandic also presents the Hilton Hotels and their efforts of entering the Scandinavian market. Scandic believes that brochures, overall, are useful tools when communicating the corporate identity. Brochures communicating the corporate identity can always be found in all Scandic's hotels for each and every one to read. However, Scandic has not developed any slogan for their hotels.

Scandic does not consider architecture of the buildings when communicating the corporate identity, this foremost since the organization does not own any of its hotel buildings. Nor does the organization require that the hotel should consist of a specific number of rooms. This as

their main concern with its corporate identity is to reach as large an audience as possible; hence the importance is to try to cover as large part of a country as possible. However, Scandic have different concepts that should be found in all Scandic hotels e.g. breakfast concept, Sigge (for children), meetings, and easy access (wireless Internet connection). The concepts are developed in order to communicate the corporate identity. Within each concept there are specific requirements of items that should be included. By using the same concepts in all hotels it gains economies of scale, as the different hotels are purchasing jointly. Hence, the economic part of their *compass of profitability* is considered. Scandic claims that this distinguishes the organization from their competitors.

When Scandic first begun in this business with the motor village concept the location of the hotels was crucial, since their target market mainly was the road traveler. However, even though the location still is considered an important issue, the organization has changed this segmentation strategy, and today it targets all different segments. Since Scandic now are targeting all different segments the organization try to cover as large part of a country as possible. Furthermore, if Scandic has only one hotel in a country it is important that it is strategically placed, in order to reach as large scale of people as possible.

At Scandic one person, a media coordinator, handles all media relations. Hence, the organization has not a special department where several people focus only at media relations. Scandic communicates through TV-commercials, advertisements in daily newspapers and magazines. Furthermore press releases and different press activities are also used in order to express the corporate identity. However, sponsoring is the most used marketing channel when communicating the corporate identity externally. Scandic prefers to sponsor sports events, mainly due to two reasons: many people are involved in sports, and it is healthy. It is also important for the organization that the event is ethical. Scandic never sponsor a specific individual since it would not be in accordance with their business idea; to be accessible for all. Furthermore, it does not sponsor any motor sport, as it is not considered environment-friendly. All this to make sure that the right corporate identity is communicated, and to consider the basics in the “compass of profitability”. Moreover, sports sponsoring gives Scandic the opportunity to demand counter-purchase.

Another tool Scandic makes use of in their communication efforts is the Internet; especially via their Website where all the different hotels are presented. Each hotel is given the possibility to describe itself in detail via the Website, in fact through the original Scandic-dot-com-site it is possible to connect to a local site of each hotel. This makes them more accessible for all people so that customers in an easy way can find a hotel that suits them. Moreover, Scandic want all hotels to be presented in English, and in different local languages at the home page, in order to reach as many customers as possible. The Internet is considered to be an effective tool that makes the organization available for their customers 24/7.

#### **4.1.3 Communicating the Corporate Identity Internally**

Scandic has developed a Business School, which is located outside of Stockholm, Sweden. The school employs four persons full time that are working with different programs. It provides several courses that each employee at Scandic may apply for, regardless of their position within the firm. The purpose of the school is not only to train the employees and to make them familiar with the organization; it also provides the management with information regarding what kind of education the main part of the employees are interested in. Furthermore, the different courses give the management information of the expectations an

employee may have on the organization and his/her future within it. A lot of the programs focus on leadership and management, and the main part of the senior managers at Scandic have been educated, and recruited internally. This creates personnel loyalty and ensures a good knowledge of the corporate identity among senior managers. However, Scandic recognizes the importance of sometimes recruiting personnel externally, as it may introduce a new way of thinking. The Scandic Business School is considered an excellent way of implementing different values and philosophies in the organization. Moreover, Scandic claims that the school is a good example of how Scandic makes reality of their business idea, to be accessible for all. Furthermore, Scandic shows how they actually considers their employees as a part of the compass as they gives them access to healthcare, and makes the security of their personnel an major important issue.

All employees at Scandic are introduced to the organization through a training program called “*Check In @ Scandic*”. The program consists of four different phases through which the organizations corporate identity is described. The four phases are: Scandic history, service, environment, and security. After each phase the employee are obliged to pass a test in order to proceed to the next phase. This ensures that each person has understood the message Scandic wants to convey. The program is rather extensive, and each phase lasts for approximately two hours. When an employee has passed the program he/she receives a team-member-card, a kind of certificate that makes the person a member of the Scandic organization. This program is a part of Scandic Business School.

Intranet is a frequently used communication vehicle within Scandic. It has made the communication process within the organization much smoother, and is considered to be very useful for many purposes, including communicating the corporate identity. Via this channel the employees get easy access to the different courses they can attend to the Scandic Business School. On the Intranet Scandic has developed a course called *get smart*. Through this course employees get to answer questions regarding how he/she interpret himself/herself, as well as the organization. This is an excellent way for Scandic to find out if their employees have apprehended the organization the same way as intended and that they are hence transferring this to the customers. After the employee has accomplished the *get smart* course, it should be evaluated at a face-to-face meeting between the employee and the hotel director. At this meeting the goals the employee wants to attain with its work within the organization should be made obvious. Then the hotel director will coach the employee so that he/she can achieve his/her goals. Finally, managers at each hotel evaluate the outcome of the whole course once a year. Overall, participating in meetings is considered to be a very effective way of communicating the corporate identity.

A vast anonymous research of how the coworkers consider the corporate identity regarding: economics, ecologic, and ethics are made on a yearly basis on the Intranet. Through this Scandic gets feedback on how the employees really feel about the organization, and where there may be a need for changes. All senior managers then evaluate the results from the research during a two days seminar.

After the Hilton acquired Scandic there was a need to find a way of communicating the change in the corporate identity to its employees. A brochure was developed for this purpose, and sent out to the home address of each employee within the organization. Through the brochure Scandic aimed to ensure the employees that the changes within Scandic would only be minor, and that the business concept and values of Scandic would remain. Therefore, the brochure gave a short review of the history of the organization, explaining different changes

throughout the years. Through the brochure Scandic communicated the necessity of a creative and innovative organization in order to stay competitive. The Scandinavian Nordic lifestyle is how the organization has chosen to sum up its values. This value is well understood in the Nordic countries, as most people have heard the expression before. However, when communicating it to employees abroad Scandic has met some problems, as the Nordic lifestyle is quite different in northern Italy compared to Scandinavia. Still, Scandic is communicating Nordic common sense by emphasizing different values: simplicity, openness, price worthy, and thoughtfulness. Scandic came to the conclusion that these are the main values that the organizations employees are thinking of when referring to Nordic common sense, after an internal research in Scandinavia where coworkers chose different words they connected to the expression. Another objective with these values was that they should fit into one of the elements in *the triple bottom line*.

Scandic have not developed a code of ethics for their employees. Furthermore, managers at Scandic do not use memos much and Scandic does not consider that watching other employees are very effective means for communicating the corporate identity internally. Scandic believes that ethical standards and values are communicated well through their training programs, meetings, brochures, and from talking and discussing with other employees. Of these different implementation channels Scandic considers training be the most effective tool, and is therefore highly used; for example, the “*Check in @ Scandic*” program, and the “*get smart*” course mentioned earlier. But also the coaching from the face-to-face meetings is considered to be very useful.

## **4.2 Case Two – Radisson SAS**

In 1994 SAS International Hotels (a wholly owned subsidiary of the Scandinavian airline group) signed an agreement with Carlson Hotels Worldwide for the rights to develop and operate the Radisson brand in Europe the Middle East and Africa. This was the beginning of Radisson SAS Hotels & Resorts, today a part of Rezidor SAS Hospitality. Radisson SAS currently operates 127 hotels in 37 countries, with another 30 projects under development. The company is a four star plus, club class hotel brand, and consider it to have the desired position as market leader within this sector. The target market of Radisson SAS is the business traveler. However, it can differ somewhat between the hotels depending on the where it is situated. Radisson SAS has the approach to be as effective in the city as in a resort destination or an airport location. This is a flexibility that has contributed to its speed of growth. Radisson SAS’ special features include the concept of different room styles in order to meet the customer’s needs, a strong focus on bars and restaurants, satellite receptions, one touch service, the super breakfast range and easy connection. The key differentiators such as the “*100% Guest Satisfaction Guarantee*” and the “*Yes I Can*” spirit of service have contributed to its success. Radisson SAS’ target market is the business traveler even though it has broadened a bit compared with the original target market.

### *Rezidor SAS Hospitality A/S*

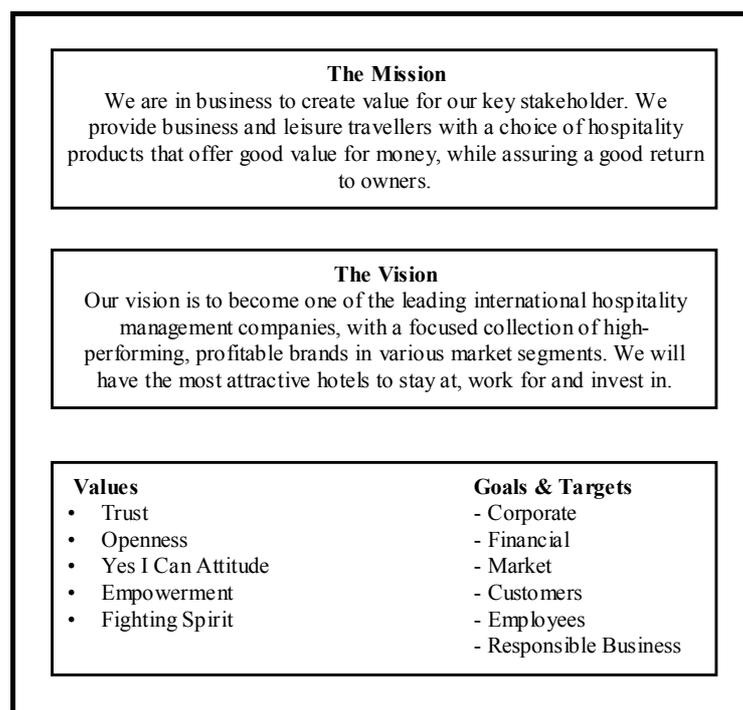
Rezidor SAS Hospitality A/S is a fully owned subsidiary of SAS Investments A/S, Denmark, which is ultimately owned by SAS AB, Sweden. Rezidor SAS Hospitality A/S has no hotel operation of its own. All operations are organized in subsidiaries, coordinated and managed by a central administration function in Brussels, Belgium. The company does not have any employees. Rezidor SAS Hospitality, which is among the fastest growing hospitality companies in the world, has a portfolio of five brands; Radisson SAS, Park Inn, Country Inn and Regent. In March 2003, Rezidor SAS announced its new lifestyle hotel brand Cerruti, a

joint initiative with the international fashion house. The vision is to become one of the world's leading international hospitality management organizations, with a focused collection of high-performing, profitable brands in various market segments.

The interviewee works as a senior sales manager at Radisson SAS Arlandia and Radisson SAS Sky City at Arlanda, Sweden. She has worked there since April 2004, and although her experience of the organization and the branch is limited, her experience of management is vast. Moreover, she works with corporate identity issues on a daily basis.

#### 4.2.1 Strategies Used When Communicating the Corporate Identity

Radisson SAS senior management holds a large information meeting regarding how the organization's business plan will look like twice a year. The meeting is held in order to clarify what should be focused on, and how the organization wants to communicate the corporate identity to its stakeholders. It is important that the communication efforts are following a red thread. This meeting gives the senior management an opportunity to mutually reflect over how they want the corporate identity to be apprehended. When developing a strategy the results from a climate analysis, performed each year among the employees, serves as a guideline to the discussion. Then a thorough strategy is developed including the mission, vision, goals, and values of the organization. The strategy senior managers at Radisson SAS use when developing the outcome of what is going to be communicated is visually described in figure 4.2:



**Figure 4. 2:** Corporate Identity Strategy at Radisson SAS  
**SOURCE:** Adapted from the annual report from Rezidor SAS (2003)

The mission works as a reminder of why Radisson SAS is in this business, and what their main goal is. The mission of the organization is something that is constant over time. The vision can, on the other hand, change depending on changes in the external and internal environment. For example, before Radisson SAS decided to use several target markets it mainly focused on the business travelers. Today Radisson SAS has enlarged their product

portfolio and the target market may differ depending on how different hotel brands want to differentiate themselves.

With the mission and vision as a foundation for the organization's philosophy senior managers develop different values that the organization want to communicate. These values should give the stakeholders a possibility to understand the personality of the organization. Radisson SAS emphasize that it is important that all communication efforts somehow are based on these values; one or several. Finally, senior management develops different goals for the corporation, market, customers, employees etc. The communication efforts of the different values are also stated in the annual report as a guideline for middle managers when communicating the corporate identity. These guidelines are:

- *Trust*, includes believing in each other, others and ourselves and in the potential of people. We also believe in building credibility and earning trust.
- *Openness* should communicate: accessibility, open to change, easy to do business with, flexible and always "all ears".
- *Yes I Can Attitude* is basically a personality trait. But it is also a training program, designed to encourage and empower employees to meet, and exceed customer expectations and provide solutions particularly when faced with guest issues.
- *Empowerment* is: Driving results through the people closest to the "point-of-success" by matching responsibility, authority and accountability.
- *Fighting Spirit* is entrepreneurial and opportunity driven. Always hungry for more. Making the best of things, doing it differently. A killer instinct when the going gets tough.

One or several of these values should be reflected in all communication efforts of the corporate identity the organization is involved in, no matter what the different targets are. However, different hotels may choose to focus on one or more of these values, depending on the specific target market of that particularly hotel. This since it is one of the organization's objectives with its communication efforts.

The objectives of the corporate communication efforts at Radisson SAS is the different goals and targets specified in figure 4.2; i.e. corporate, financial, market, customers, employees, and responsible business. The content of each of these objectives are specified in the annual report of the organization in order to inform stakeholders of what the organization considers to be important, and what goals it wants to achieve.

- *Corporate* objectives concerns how the organization establish themselves as a strong alternative in hotel management by treating hotels as individual units in order to optimize profitability
- *Financial* objectives are divided into two categories: long-term, and short-term. These focuses on margins, growth, and how to make Radisson SAS a profitable organization
- *Market* objectives include how the organization intends to grow in the future, by increasing the number of hotels in the group by at least 50 properties every year.
- *Customers* objectives discusses: strong partnerships, loyalty programs, and safety and security issues.
- *Employees* objectives are about: social responsibility, responsible working environment, employee satisfaction, recruitments, and training and development programs.
- *Responsible business* objectives focus on how the organization takes it social responsibility by integrating *responsible business* on a day-to-day basis. This involves environmental responsibility, energy, community involvement, water consumption, and increased waste sorting.

In the annual report of Radisson SAS the management has developed a triangle of excellence in which the organization acknowledges the importance of building strong relationships with different stakeholder groups. This triangle presents each of the stakeholder groups, and what the goals and ambition Radisson SAS has with their communication efforts towards each and one of them. The purpose with this triangle is to show how the organization translates stakeholder specific success factors into goals and ambitions, and how Radisson SAS then work to achieve these different goals. The different stakeholder groups presented are: customers, investors/property owners, employees, suppliers, community, government, and environment. Finally, this triangle provides an easy to understand communication effort of how the organization want each stakeholder group to perceive it; how the management want the image of Radisson SAS to be.

Radisson SAS does not consider their corporate identity to have changed during the years. Instead Radisson SAS claims that the organization has elucidated the corporate identity. Clarifications of the corporate identity have been needed during the years. One important reason is that different generations demand diverse kinds of information, and are using different information channels. Moreover, due to the enlargement and internationalization of the organization the importance of a clear and consistent corporate identity communication process becomes a vital issue to Radisson SAS. This especially since the organization has gone through a modification of the organization during the last decades. Radisson SAS has developed the 21<sup>st</sup> century strategy; to be one of the leading international hospitality organizations in the world's travel industry, in order to differentiate the organization from its competitors.

The organization considers itself to have a monolithic identity. It is important that the parent organization can be located and therefore the name SAS is always included in their logo, signs and other visual communication efforts.

#### **4.2.2 The Managerial Tools Used When Communicating Corporate Identity**

The main visual corporate identity communication tool for Radisson SAS is the corporate brand name; even though the organization emphasizes that all visual communication should reflect the identity of the organization. The different values (*trust, openness, yes I can attitude, empowerment, and fighting spirit*) are always used in the marketing efforts; in one way or another. By following a red thread the organization makes it easier for the stakeholders to recognize it. The objective with the visual corporate identity efforts is to communicate a secure feeling of what can be expected of the organization. This is also in line with the communication efforts of the parent organization SAS Group. Since the SAS part of the Radisson SAS' logo is identical with the logo of the parent organization it is an advantage for Radisson SAS to use the same message when communicating the corporate identity; as it gives them a free ride. The security issue is considered very important, and SAS Group has put a lot of emphasis on it since the terrorist attack, 9/11. Due to its importance Radisson SAS has one employee working full time with these matters for the organization all over the world.

The logo is required to be identical in all different communication efforts at Radisson SAS, including organization's literature. If the logo does not match with the background of any literature or advertisements, it is the background that has to be changed, as the organization does not allow different colors in their logo. Radisson SAS has the same rules for the signs as for the logo. Furthermore, the organization considers it to be important to use the same graphical design worldwide. This in order to make sure that the logo is easily recognized.

However, the logo has not always looked the same. In year 2000 the organization decided to change the logo in order to communicate the modification the organization that had been evolving for quite some time. This change in logo should reflect the company's 21<sup>st</sup> century strategy, to be one of the leading international hospitality organizations in the world's travel industry. Moreover, Radisson SAS wanted to communicate that the organization had differentiated itself from its competitors. It was important for Radisson SAS to change all the signs and organizational literatures as fast as possible in order to avoid confusing the audience; to evade that stakeholders would think it was two different organizations. Therefore, the organization spent a lot of money on advertising, to get the audience to recognize the new logo, and connect it with the Radisson SAS hotel chain. However, the organization never considered to change the brand name as it is considered too time consuming and costly. Moreover, the organization is very content with its brand name.

Uniforms were not mentioned as a way of communicating the corporate identity at Radisson SAS. Instead the main focus was on the development of the annual report. The annual report of Rezidor SAS is carefully developed in order to communicate the corporate identity of the organizations to all different stakeholders. As Radisson SAS is an international organization where the diversity, both within as well as among external interest groups needs to be considered, the annual report has been created so that it will be easy to understand for all. This is the tool that best communicates the organizations corporate identity, according to the management at Radisson SAS. When managers are recruited the annual report is used in order to let new employees, in a fast and uncomplicated way, learn about the corporate identity. The annual report is divided into different sections in which each goal of the organization (financial, market, customers, employees, and responsible business) is thoroughly discussed. Moreover, Radisson SAS has a mission statement, presented in figure 4.2, that aims to give the stakeholders an understanding of the personality of the organization. The two stakeholder groups mentioned in its mission statement are: customers and owners. However, any code of ethics is not included in the mission statement at Radisson SAS. The mission statement is mainly communicated in brochures, and the annual report.

Radisson SAS' slogan is "100% Guest Satisfaction Guarantee". This should communicate that Radisson SAS provides their guests with high quality accommodations. Moreover, Radisson SAS want to communicate that everything possible is done in order to make its guests enjoy their stay. This aims to encourage the guests to ask for special arrangements.

The organization uses different concepts including different room styles, a focus on bars and restaurants, satellite receptions, breakfasts, and wireless Internet connections. These concepts have been developed in order to meet as many different requirements of the customers as possible. For example, at hotel Radisson SAS Arlandia outside Stockholm, Sweden, the customers can choose among three different room styles: Ecological, Maritime, and Scandinavian. By giving the customer an opportunity of selecting between these different concepts, Radisson SAS are trying to meet the different requirements of the customers; it is an attempt to customize the rooms in order to fulfill the value of *openness*. Moreover, this is a way of creating an image for Radisson SAS, since the different styles will make customers aware that they are staying at a Radisson SAS hotel. Hence, the organization is also fulfilling the security objective by creating the secure feeling of recognition; of what can be expected of a stay at a Radisson SAS hotel.

Radisson SAS hotels are often located close to an airport, since their main target market are the business traveler and flight crews; that often values the closeness to an airport highly.

Moreover, the use of wireless Internet is important for this target group, therefore almost every room has wireless Internet connection. The hotels also have a special launch for the flight crews in which they can meet and socialize. A lot of business travelers are using their hotels for conferences, and for these groups Radisson SAS often customize their stay, depending on what their requirements are. This in order to fulfill the value of the “*yes I can attitude*”, which aims to encourage the employees to meet and exceed the customer expectations, and the value of “*openness*” that emphasizes flexibility.

Radisson SAS has a Media department responsible of all media relationships. The organization realizes the importance of good media relationships, and is well aware of the fact that the larger the organization is, the bigger is the pressure from media. As a matter of fact, a proverb often used by managers at Radisson SAS is “the greater the power, the greater the responsibility”. The media department is divided into two sections; marketing, that handles the ads; and PR, where one person is responsible for all media relationships and campaigns. Furthermore, the media department has developed a newspaper for the organization, which communicates the corporate identity.

The use of Internet is becoming increasingly common among most stakeholders, and with this in consideration Radisson SAS use the Internet to a large extent today. This includes both internal and external communication of the corporate identity. For external purpose Radisson SAS are communicating the corporate identity by providing stakeholders necessary information on their Website. It is important that the development of the Website has followed the same red thread as other marketing efforts, concerning the corporate identity, and that it is easy to use. On the Website the main part of the annual report is presented; that is the mission, vision, and values of Radisson SAS. An objective with this page is to fulfill the value of “*openness*” that emphasizes accessibility. Through the Website customers can find the different hotels and read about them through a link. Moreover, customers can make use of its booking system on the Internet 24/7, and the customers frequently use this possibility. Another external and internal application on the Internet that Radisson SAS use is the extranet. Through the extranet different subdivisions can communicate with their suppliers.

#### **4.2.3 Communicating the Corporate Identity Internally**

The organization is proud of its annual report as it in an easy way describes the identity of the organization. Due to its easily comprehensible content, it is commonly used when managers communicate the corporate identity internally. The annual report also emphasizes the importance of the employees within the organization, as employees are seen as one of the most important stakeholder groups for the organization. When employees are recruited they are recommended to read the annual report, in order to gain an understanding of how the organization wants to conduct business.

The business plan of Radisson SAS is, as mentioned in section 4.2.2, looked into and developed by senior management twice a year. It is then presented at a large meeting at each hotel. At these presentations the organization seeks to get feedback on how the employees consider the communication efforts should be handled. This feedback is highly valued since Radisson SAS consider the employees to be those who know the customers the best; working with different customer issues on a daily basis. Hence, the employees are those that have the best knowledge of how the corporate identity is communicated most effectively. Furthermore, managers get to explain the business plan and the strategy in detail, and this is considered to be very valuable for both managers and personnel. The main issues presented are then put up

on notice boards at the different hotels. Furthermore, special information sheets are put on the tables in the dining room, for the employees to read and discuss during their lunch hour. However, sending out memos to the employees, or provide them with ethical codes are not much used by managers at Radisson SAS.

Having an open dialogue through face-to-face meetings with each of the employees is considered the best way of assuring that the corporate identity is communicated correctly to the personnel at Radisson SAS. This kind of meetings is the responsibility of each hotel manager, and is held on a regular basis. If the employee is seeking another position within the organization in the future it is during this meeting he/she get the opportunity to express this. Then managers give the employee guidance by informing how this goal can be reached. This is a very effective way of communicating the corporate identity with the employees, and making sure that the goals and values of the organization has been correctly interpreted. These meetings are highly appreciated by both managers and employees; as it is a good way to get to know the manager for the employee and its co-workers from managers' perspective. During these discussions, managers should listen to how the employees apprehend the organization. Listening as a part of the face-to-face meetings with each of the employees is considered to be a valuable communication activity, as it communicates the openness stated in the strategy. Another intention with these meetings is to inspire the employees to communicate the corporate identity correctly. How senior managers are working is, considered as very important since it often affects the rest of the personnel to act accordingly. Hence, having a well functioning senior management team is considered to be of great importance. However, watching other employees are not something Radisson SAS consider an implementation channel for the organizations values.

All employees at Radisson SAS have the opportunity of taking an internal training program called "*yes I can*". This program will educate the employees of the attitude within the organization, and how the organization wants to communicate the corporate identity. Moreover, the concepts of the rooms, and the aim of these concepts are discussed and clarified. Facts concerning the consequences of a satisfied and unsatisfied customer are also presented. Overall, the training program aims to make the personnel aware of correct communication efforts, but also to make them feel that they are an important part of the corporate identity. That the organization has confidence in their employees and their work is another important objective with this education; to communicate the value "*yes I can*". Radisson SAS firmly believes in letting the employees compensate the customers for any inconvenience without having to check with a senior manager first, and this is one way of actually practice the value of a "*yes I can attitude*".

The Intranet is frequently used when communicating the corporate identity at Radisson SAS. On the Intranet a catalogue in which the corporate identity is presented in a comprehensible way is available for the employees to read. This catalogue provides information about how business within the organization, worldwide, is conducted. As a matter of fact everything that is happening within the organization is reported on the Intranet. Furthermore, information regarding internal educations is to be found and assigned to at the Intranet as well. The Intranet is commonly used as a start page for senior managers within the organization, in order to ensure that they keep up to date with the news within the organization. Managers at Radisson SAS claim that Intranet has enhanced the internal communication process, and today the communication flow runs much smoother. Moreover, all personnel at each hotel have a possibility of using the Intranet.

Radisson SAS performs a climate analysis on a yearly basis in order to find out how the employees interpret the corporate identity. Through this analysis the organization gets to find the weaknesses and strengths within the organization. Furthermore, the employees get to express what they believe should be done in order to make the communication efforts to their corporate identity more effective. The results from this analysis are then functioning as a base for the improvements in their corporate communication efforts for the coming year.

## 5 Data Analysis

*The previous chapter presented the collected data, and is a foundation for this chapter. Here, the data is examined and analyzed by comparing it to the theories selected and presented in the frame of reference. This means that we will perform two within-case analyses and one cross-case analysis on our two cases: Scandic Hotels and Radisson SAS Hotels. The chapter is divided into sections corresponding to the research questions stated in chapter one.*

The analyses performed in this chapter are mainly descriptive, but also somewhat exploratory as not all aspects are covered by the literature we have relied on; hence some issues will not be compared to literature and analyzed. However, this kind of qualitative data gave us clues on attitudes and more reliable information, which are needed to gain a deep understanding of the area. Therefore, it will be presented as it came forward during the two focused face-to-face interviews. Information irrelevant for our purpose will not be analyzed in this chapter; instead the most important aspects will be emphasized. We will present where the literature and the opinion of the interviewees correspond and mismatch, however the reasons why will not be analyzed in this chapter.

### 5.1 Within-Case analysis of Scandic Hotels

In this section a within-case analysis of the collected data at Scandic Hotels compared with the presented theories in the frame of reference will be performed. All three research questions will be presented and compared in order to investigate if the statements by already existing theory are valid for this case.

#### 5.1.1 Strategies for Communicating Corporate Identity

##### *Corporate Identity Categories*

One thing that reveals the organizational culture according to Olins (1989) is whether organizations use the same logo, color, and name as the parent organization and is thereby categorized as a monolithic identity. Scandic believes that it had a monolithic identity until the acquisition by the Hilton when it changed to a branded identity. When the Hilton acquired the organization Scandic kept its brand name and can therefore be considered to use a branded identity, as few are aware that the Hilton is the owner of the organization. As the Hilton want to keep the customers opinion of their hotel brand as a luxurious one, the organization decided to keep the brand name of Scandic, since they are a mid market brand. This separates the brands in a distinctive way and hence it also complies with what Olins has stated; that branded identity want to separate each product and promote them differently. Having a branded identity is also communicating a decentralized organization according to Olins. As Scandic are still using the strategy that was developed already in the nineties, this complies with the theory that the organization is rather decentralized.

##### *Reasons for Changing Corporate Identity*

Scandic changed their corporate identity strategy from a service oriented focus to becoming more aware of the industrial way of doing business when a new senior management team was selected. This new team wanted to make the audience aware of that Scandic was taking a social responsibility, especially in ecological and ethical issues, as senior mangers considered these questions to be important issues for different stakeholder groups. The above mentioned is in accordance with the theory as the change in corporate identity was a product of its

change in business. Moreover, other competitors did not focus on these issues; hence Scandic would differentiate themselves from competitors. This is in accordance with the theory as Brassington and Pettitt (2000) claim that it is important that organizations have an updated corporate identity to not give an impression of being old fashioned or left behind. Furthermore, Brassington and Pettitt emphasize the importance of differentiating themselves from competitors. As this is what Scandic aimed to do with their new strategy it complies with the theory. The other three reasons for changing corporate identity; unifying diverse activities, image building and internal motivator was not mentioned by Scandic and hence does not comply with the theory.

### *Objectives*

It is obvious that Scandic have three main objectives with their corporate identity communication efforts. First of all Scandic aims to make the audience aware of the different values the organization has. Secondly, these values together with how Scandic have decided to position itself, as a mid-market brand available for all, will differentiate the organization from its competitors. Finally, Scandic believes that it will be easier for employees and customers to understand and commit to the organization if the corporate identity strategy is comprehensible. These three objectives are according to Balmer (2001b) important for organizations to consider when creating a successful corporate identity. Furthermore, as all these three objectives aim to attract different stakeholder groups and make them loyal, the objective “attracting and retaining customers and employees” by Balmer can also be considered to be fulfilled. Finally, providing a platform for coherent corporate communication is in accordance with the theory. Scandic believes that the whole corporate identity strategy should be a foundation for how it will be communicated. Hence, five out of the nine objectives stated by Balmer is fulfilled at Scandic. However, the other four objectives stated by Balmer (fostering a sense of individuality, providing disciplinary integration, achieving strategic alliances, and gaining support of financial markets) are not mentioned by Scandic, hence these cannot be considered to be any of their main objectives.

### *BAA*

Figure 4.1 presents how Scandic define its corporate identity; based on the organization’s vision, business idea and core values. Furthermore, the core values are defined through eight different beliefs that are the characteristics of Scandic’s view of Nordic Common Sense. According to the theory stated by Balmer it is important to reveal the corporate personality, which is formed by an organization’s values and beliefs, in order to establish an organization’s corporate identity. Scandic have put a lot of effort in clarifying their business idea and core values to create their corporate identity; hence, this is in accordance with the theory. The BAA method is a four-stage process which involves the steps of establish the corporate mission and then reveal, evaluate and nurture the dominant systems of beliefs in the organization. Similarities to these four-stages can be identified at Scandic. The management have stated the corporate mission, to have easy and accessible travel for all, and revealed the four core values: easy, value for money, open-minded, and care about others. These values are clearly supported by the eight different beliefs. The compass of profitability ensures that every decision made within Scandic is supported by the values and beliefs, which is a way of nurturing the corporate identity. Another way of nurturing the corporate personality is that Scandic has kept the original business idea of providing easy accommodation along main travel routes through the changes. Finally, there is evidently a red thread through Scandic’s vision, core values and beliefs. The ideas of being “easy” and “available for all” permeate everything they do. Hence, this is in accordance with the theory stated by Balmer.

### 5.1.2 Tools for Communicating Corporate Identity

#### *Nomenclature, Branding and Graphic Design*

The main visual corporate identity tool used at Scandic is the corporate brand name. This is in accordance with the theory as Gray and Balmer claim that the principal concern is the brand name. The new owner of Scandic did not seek to communicate any changes within Scandic, and decided to use the same brand name. This is not in accordance with the theory as Gray and Balmer (1998) claim that change in the corporate brand name often are used to communicate a change within the organization.

Scandic is currently changing its logo and removing the symbol of the sun from the signs. This mainly due to two reasons: to communicate the change the organization is going through after the acquisition by the Hilton; and since it was not communicating Scandic's corporate identity correctly. This complies with the theory as Gray and Balmer (1998) state that it is important that the graphic design, such as logos and signs, are communicating the corporate identity correctly. However, Gray and Balmer also emphasize the importance of sending out a consistent message by coordinating graphic design, in order to make it easily recognized. As Scandic has decided to change their signs and organizational literature over time, this does not comply with the recommendations from Gray and Balmer. Uniforms are also a part of how graphic design may be communicated, according to Gray and Balmer. At Scandic the employees get to choose their own uniforms from a catalogue. This makes the uniforms somewhat coordinated. Moreover, Scandic wants to communicate that the organization is regarding diversity highly. By letting employees from cultures that wear a veil do so together with the rest of the uniform, Scandic communicates that the diversity issue is a part of the corporate identity. Hence, it corresponds with Gray and Balmer when they state, that uniforms can be considered as a tool to use for communicating the corporate identity.

#### *Formal Statements*

Scandic has developed a brochure for communicating the corporate identity to its different stakeholder groups. The brochure was carefully developed as an attempt to make as many of their stakeholders as possible to read it. As Gray and Balmer (1998) claims that the advantage with formal statements is that they can be accurately communicated to many people, this is in accordance with the theory. However, Gray and Balmer have not mentioned brochures as a common tool for communicating the corporate identity; hence to use brochures does not correspond with the theory. Scandic's mission statement is stated in this brochure, and its mission statement is used to a large extent when communicating the corporate identity at Scandic. However, it does not contain a code of ethics. This partly complies with the theory, as Gray and Balmer claims that mission statements and code of ethics are common tools for communicating corporate identity standards. Scandic have not developed a slogan that communicates the corporate identity, in contrary to what Gray and Balmer states; that a well-developed slogan can be a very useful tool for conveying the corporate identity. Moreover, annual reports are considered as a useful tool for corporate identity communication according to Gray and Balmer. However, an annual report is not mentioned as a tool used at Scandic, hence it does not correspond to the theory.

#### *Architecture*

Since Scandic does not own the buildings in which the hotels are, the organization does not consider the design of the buildings when communicating the corporate identity. Gray and Balmer (1998) however, believe that the design of the buildings reveals much about an

organization. Hence, the case does not match with the theory. However, architecture also includes interior. Gray and Balmer claims that interior are giving the audience a hint of how organizations are functioning; for example, large open rooms signals that the organization is seeking insight in the customers needs. Even though Scandic does not have any major requirements of how the hotels should look, the organization have decided upon a few concepts that should be presented to the customers at all their hotels. These concepts requires specific interior similar at each of its hotels, in order to be consistent in the communication of the corporate identity to customers. Hence, the fact that interior as a part of architecture is considered complies with the theory. Moreover, the location of the hotels is something Scandic considers, as a part of the architecture. This is not mentioned as a tool by the theory, and does therefore not correspond.

#### *Media relations*

According to Gray and Balmer (1998) large international organizations have a department that handles media. At Scandic one and the same person, a media coordinator handles all media relations. However, the organization has not developed a whole department focusing on media relations. Hence, it does not comply with the theory, as to use one and a same person is not discussed.

#### *Internet*

According to Christensen (1997) most IHO's have a Website on the Internet. He continues by claiming that many IHO's often have multiple Websites. At Scandic the Internet is considered an effective tool to use for corporate identity communication. Moreover, the organization has multiple sites so that each of the hotels can present itself in a more detailed way. Hence, the use of Websites and multiple Websites when communicating the corporate identity complies with the theory.

### **5.1.3 Communicating Corporate Identity Internally**

#### *Implementation Channels*

It is important that the different standards set by senior management are implemented into the organization. Stevens and Brownell (2000) have found that training programs is the most effective means for this purpose. This corresponds with our findings at Scandic, as training programs often is used to implement the corporate identity and its values internally. In fact Scandic has even developed a *Scandic Business School* that managers consider to be an excellent way of implementing different values and philosophy into the organization.

Another effective channel to use when implementing values is, according to Stevens and Brownell (2000), coaching. Coaching is used at Scandic and managers are requested by the organization to find out what different employees want to attain with their work within Scandic. Managers should then coach the employee so that he/she can achieve his/her goals. This has shown to be an effective way of communicating different standards within Scandic. Hence, it corresponds to what have been found in the theory. The coaching at Scandic takes place during a face-to-face meeting with the hotel director. Overall, meetings are considered to be an effective means for communicating the corporate identity internally at Scandic. This does not fully correspond with the findings of Stevens and Brownell (2000), as they concluded that participating in meetings and meetings with manager was considered to be a less effective means of implementing values above average.

Scandic does not have an ethical code stating specific values that the employees should think of. Instead the organization wants to communicate the different values stated in the strategy. Since no ethical code exists it cannot be said to comply with the theory, as Stevens and Brownell (2000) found it to be a rather good channel. However, the different values developed at Scandic are largely communicated through its brochure, which Scandic considers a very effective tool. Hence, reading manuals or other documents correspond to Stevens and Brownell's (2000) findings that these serve as an effective means for transmitting information about values. Memos from managers, and watching other employees were not vehicles used for implementing the values in the corporate identity internally at Scandic. Stevens and Brownell agrees that memos from managers are not very effective. However, watching other employees is considered to be rather effective, therefore this partly complies with the theory.

### *Intranet*

Christensen (1997) claims that international hospitality organizations need to take advantage of an intranet when they are communicating internally. The intranet is used to a large extent at Scandic, and is therefore in accordance with the theory.

### *The ROIT-scale*

According to van Riel (1995) organizations want to make sure that the employees identify with the goals and ideals of an organization. To actually measure this, the authors suggest that organizations should use the ROIT-scale. Even though Scandic does not use the ROIT-scale the organization are making sure that the employees have understood the corporate identity correctly through the course “*get smart*” on the Intranet. Hence, to actually evaluate whether the employees have identified the corporate identity and its culture correctly or not, is in accordance with what the theory recommends. Another advantage with the ROIT-scale is that it detects “weak spots” in an organization. The course “*get smart*” is according to Scandic a way of finding out where there may be a need for changes within the organization. Hence, to evaluate where weaknesses and strengths within an organizations corporate identity lays seems to be something senior managers considers to be important, in accordance with the theory. Finally, the research Scandic performs each year concerning the elements in the *compass of profitability* (economics, ecologic, and ethics) provides managers at Scandic with feedback on how the employee feels about how the organization operates, if they are satisfied with the organization. The ROIT-scale aims to find out if the employees are satisfied by investigating whether there is: a feeling of belonging, positive organizational membership, organizational support, recognition of distinct contributions, a feeling of acceptance and security. Hence the theory seems to match with the case in evaluating whether the employees are satisfied with the organization or not.

## **5.2 Within-Case Analysis of Radisson SAS**

The following section of the analysis chapter will provide a comparison between the data collected at Radisson SAS and the theories selected in the frame of reference. This comparison is made in order to find out whether existing literature findings are valid for this case.

### 5.2.1 Strategies for Communicating Corporate Identity

#### *Categories of Identity*

Olins (1989) claims that a monolithic identity is often associated with airlines and other businesses that do not make fundamental changes. As Radisson SAS consider its identity to be of a monolithic nature it corresponds to the theory. Furthermore, a monolithic identity communicates a centralized organization, according to Olins. Senior management at Brussels has decided upon the values, mission, and finally vision that the organization is communicating at Radisson SAS. Moreover, the organization is required to use the same logo as the parent organization SAS. Radisson SAS is also making use of the security issue, which is heavily emphasized at the parent organization, as one of the objectives when communicating. The fact that the logo and security issue derive from the parent organization supports the fact of having a monolithic identity, according to Olins. Furthermore, it suggests that the organization is centralized, something rather common for monolithic organizations according to Olins. Radisson SAS consider themselves to be an organization that does not go through changes; instead the organization refers to it as an improvement of the corporate identity. This is in accordance with Olins, as he claims that organizations with a monolithic identity are not fundamentally changing.

#### *Reasons for Changing Corporate Identity*

Regarding change in corporate identity Radisson SAS does not consider its identity to have changed during the years. Instead, the organization considers it to be a clarification of the identity. The organization has, however, gone through a modification, which resulted in the 21<sup>st</sup> century strategy to be one of the leading international hospitality organizations in the world, in order to differentiate itself from its competitors. Brassington and Pettitt (2000) suggest several reasons for organizations to develop a change in their corporate identity: datedness, changing or developing a new way of doing business, differentiation, unifying diverse activities, image building, and internal motivator. The course of events at Radisson SAS corresponds with the theory at two points; the importance for organizations to have an updated corporate identity to avoid giving the impression of being old fashioned and not in tune with the times and to differentiate itself from the competitors. The other four reasons for change in corporate identity do not correspond to this case.

#### *Objectives*

Radisson SAS have stated different objectives with their efforts of communicating their corporate identity. The objectives are developed in order to inform its main stakeholder groups, i.e. customers, employees and investors, of what the organization are and what it will focus on in the future. These objectives are based on the values management develops from the stated vision and mission, and is clearly presented in the annual report. In the comparison with the theory by Balmer (2001b) six of the nine objectives appear to correspond with Radisson SAS. The objectives stated for customers and employees clearly seek to attract and maintain them. These objectives also serve to foster a consistency between the organization's identity and its philosophy and to assure an understanding and loyalty among stakeholders. The success factor, the goal and ambition, and the approach the organization will use in order to accomplish the goals are clearly stated for each of the stakeholder groups. Furthermore, the corporate objectives aim to differentiate Radisson SAS from its competitors and establish the organization as a strong brand. Providing a platform for coherent corporate communication and gaining support of financial markets are both objectives at Radisson SAS. The strategy as

a whole seeks to fulfill the first of these two objectives. While the financial objective is clearly stated in the annual report, in order to attract investors. The remaining three objectives suggested by Balmer are not mentioned by Radisson SAS. Hence, fostering a sense of individuality, providing disciplinary integration and achieving strategic alliances do not correspond with the theory.

### *BAA*

During information meetings twice a year, senior managers at Radisson SAS develop a detailed strategy, which includes the organization's mission, vision, goal and targets. This is done when managers mutually reflect over what and how the organization wants to communicate the corporate identity to its stakeholders, and to ensure that the mission and vision follows a read thread. The mission is constant and works as a reminder of why the organization is in business. The vision on the other hand can change depending on internal or external changes. The vision and mission constitutes the corner stones of the organization's philosophy. With this as a foundation, senior managers develop the different values, which the organization wants to communicate. These values contribute to the stakeholders understanding of the organization's philosophy.

The above-mentioned method for revealing the organization's philosophy through values and beliefs at Radisson SAS complies well with the BAA theory stated by Balmer. Radisson SAS has established their corporate mission and strategy, revealed the systems of values and beliefs, which supports their vision, and evaluated them as the theory suggests. The organization nurtures the values and beliefs by ensuring that these values are reflected in all communicating efforts of the corporate identity.

## **5.2.2 Tools for Communicating Corporate Identity**

### *Nomenclature, Branding and Graphic Design*

Gray and Balmer (1998) consider the brand name to be the most important tool for managers to use when communicating the corporate identity. This complies with what Radisson SAS states. Furthermore, Gray and Balmer declare that an organization may choose to communicate change in the corporate identity by changing the corporate brand name or add something to it. However, Radisson SAS is very content with their brand name and have never considered changing it. When organizations change the corporate brand name, it often indicates changes in the corporate identity, according to Gray and Balmer. At Radisson SAS the organization changed the typo of their logo in order to communicate that the organization had been modifying the organization during some time; hence it complies with the theory. Moreover, one of its objectives with the use of a special typo in their logo was to communicate that the organization had differentiated itself from its competitors, and this also complies with the theory as Gray and Balmer claim that changes in logo can be a way of communicating a new differentiation strategy. Once a color and typo in the logo has been decided upon Radisson SAS does not allow any changes in the logo. If the logo does not match the background of an advertisement, it is the background of the advertisement that needs to be changed. This in order to ensure that the audience knows that it is Radisson SAS that the advertisements refer to.

Radisson SAS use the same graphic design on all organizational literature and signs worldwide. The change of logo at Radisson SAS was made as fast as possible in order to make the audience familiar with the new logo. As Radisson SAS recognizes the importance of

congruency in the graphic design, concerning logo and design style of literature, the data corresponds to Gray and Balmer's (1998) theory. However, uniforms were not mentioned as a way of communicating the corporate identity at Radisson SAS. This is contrary to what Gray and Balmer claim as they consider uniforms to be a way of communicating the corporate identity.

#### *Formal statements*

The annual report at Radisson SAS is carefully developed in order to accurately communicate the corporate identity to its stakeholders. According to Gray and Balmer (1998) different formal statements, including annual reports, have the advantage of being a useful tool when describing the corporate identity; hence it complies with the theory. Radisson SAS considers the annual report to be the tool that is communicating the corporate identity best. The mission statement at Radisson SAS intends to give the stakeholders an understanding of the organization; its personality. As Gray and Balmer (1998) consider this as a useful tool for management in their communication efforts of the corporate identity, it is in accordance with the theory. However, Gray and Balmer also claim that a code of ethics is used and Radisson SAS does not utilize such an ethical code when communicating its corporate identity. Hence, it does not comply with the theory.

A slogan can in a very effective way communicate the corporate identity, if it is carefully developed, according to Gray and Balmer (1998). Radisson SAS' slogan is "100% Guest Satisfaction Guarantee". Radisson SAS developed this slogan in order to convey that the organization aimed to fulfill all requirements of their guests. As this is an important value in the corporate identity, it corresponds with what Gray and Balmer claim, that it is a tool to use for corporate identity communication.

#### *Architecture*

Architecture reveals quite a lot of an organization; this includes not only the design of the buildings but also interior such as the size of the rooms and different equipment. (Gray and Balmer, 1998) Radisson SAS are mainly targeting business travelers and aircrews. This can be seen as the hotels are equipped with special lounges for the aircrews, and the organization considers it important to provide the customers with wireless Internet connections. Hence, the way Radisson SAS communicate its corporate identity through interior seems to correspond to what is stated by Gray and Balmer: that it is possible to see what the targeted customer seek in the interior. Moreover, Radisson SAS has developed different concepts of their rooms in order to create a feeling of recognition; to build an image. However, the concept building is not discussed by Gray and Balmer and cannot be considered to comply with the theory.

How the hotel buildings are designed can according to Gray and Balmer (1998) reveal quite much about an organization. This is not mentioned as a tool when communicating the corporate identity at Radisson SAS.

The location of the Radisson SAS hotels is strategically selected. Most of the hotels are located close to the airports since the target market, business travelers and aircrews, values the closeness to an airport. This is however not mentioned in theory; hence it does not correspond.

### *Media relations*

According to Gray and Balmer (1998), many international organizations have a department that focuses on media relations since these relationships can be crucial. This since the risk of negative publicity is greater than the possibility of getting positive publicity. (Ibid.) Radisson SAS is a large international hospitality organization that has a department responsible of media contacts. The organization realizes the importance of having well functioning contact with the media. This is in accordance with what Gray and Balmer claims, hence it corresponds with the theory. Moreover, at Radisson SAS one person has the main responsibility of handling all media contacts in order to ensure a consistent message. To only use one and the same person is however, not discussed in the theory and does hence not comply.

### *Internet*

Organizations use the Internet mainly for communication reasons, and Christensen (1997) claims that most hotel chains have a website. Radisson SAS considers Internet to be a useful tool when communicating its corporate identity since it can provide stakeholders with necessary information in an effortless way. Hence, the theory corresponds to the case. Christensen moreover claims that many international hospitality organizations have multiple websites. Through the website of Radisson SAS stakeholders can easily connect to a Website of each hotels to receive more detailed information. The organization uses multiple websites, in accordance with what the theory claims that IHO's are doing.

## **5.2.3 Communicating Corporate Identity Internally**

### *Implementation Channels*

The different values senior management has decided should be used when communicating the corporate identity are presented to the employees at a large meeting at each hotel at Radisson SAS; in order to implement the different standards into the organization. Meetings with employees give the managers an opportunity of getting direct feedback as well as a chance to explain the different values in detail. These meetings are considered valuable at Radisson SAS. Presentations are not something Stevens and Brownell (2000) have included in their exploratory study, hence it cannot be said to comply with the theory. However, Stevens and Brownell have mentioned that, participating in meetings is not seen as a very effective tool for implementing values. Therefore, neither this is in accordance with the case.

Stevens and Brownell (2000) claim training programs to be the most effective means of communicating standards within an organization. The employees at Radisson SAS have the opportunity of learning more about the organization in a training program called "*Yes I can*". Radisson SAS consider this program to effectively communicate the different concepts, and other important values. Hence, it complies with the theory. The most effective channel to use for internal implementation of values is, according to Radisson SAS, the face-to-face meetings managers are required to have with its personnel. Coaching is seen as a large part of these face-to-face meetings; since managers get to find out what the employee want to achieve by working in the organization. The findings of Stevens and Brownell concerning coaching correspond to this. However, meetings with managers are according to Stevens and Brownell considered having less effect when communicating standards. Therefore, the statement from Radisson SAS only partly complies with the theory.

During the face-to-face meetings the employees get a feeling of how senior managers are acting. Senior managers often function as role models for the employees at Radisson SAS, therefore it is required that managers act in accordance with the values stated by the organization. This corresponds to the theory as watching managers are something Stevens and Brownell (2000) consider being quite effective channel for implementation of values. However, watching other employees is considered to be more effective than watching managers, according to Stevens and Brownell. Radisson SAS does not agree on this, as watching other employees are not considered to be functioning as an implementation channel for the corporate values.

The annual report is claimed to be a great tool to use for managers at Radisson SAS. However, it is not in their belief that it is much read by the main part of the employees. In fact, at Radisson SAS reading manuals, codes, and other documents overall are not considered to be an effective means of communicating the different values stated. Instead, Radisson SAS frequently use notice boards and special information sheets in order to make the employees discuss different issues, and these are considered to be effective tools. Hence, this partly complies with the findings of Stevens and Brownell (2000), as they claim manuals or other documents to be effective implementation channels for this purpose.

#### *Intranet*

A catalogue concerning corporate identity issues can be found on this Intranet for employees to read. Intranet is a frequently used tool at Radisson SAS for communicating purposes and all personnel has a possibility to use the Intranet at work. Everything that is happening within each hotel worldwide can be read about on the Intranet. Through the Intranet managers can communicate much faster and include much more information than was possible before this technology was introduced. This corresponds with Christensen (1997) as he claims that Intranet is a great communication tool, enhancing the communication process. However, Christensen does not discuss it in relation to corporate identity communication; only as a communication tool overall.

#### *The ROIT-scale*

Radisson SAS want to ensure that the corporate identity has been correctly transferred to the employees by performing a climate analysis every year. Through this analysis senior management get to find out where the weaknesses and strengths lies within the organization. This is in accordance with the purpose of the ROIT-scale by van Riel (1995). However the ROIT-scale also aims to find out whether or not there is a feeling of belonging, congruency between organizational goals and values; positive organizational membership; organizational support; recognition of distinct contributions; a feeling of acceptance; and security. And this is not mentioned as a part of the goal of the climate analysis. Instead whether the employees actually identify with the organization is investigated during the face-to-face meetings between the hotel manager and the employee at each hotel. Hence, the fact that the organization evaluates if employees identify with the organization corresponds to the theory. However, it is not through an anonymous investigation as recommended by van Riel (1995).

### **5.3 Cross-Case Analysis**

The previous section of this chapter compared the two cases to the theories presented in the frame of reference. This section will now focus on a cross-case analysis in order to discover possible similarities or differences between the two cases. We have chosen to portray the data

as Miles and Huberman (1994) suggests, through matrixes, in order to provide the reader with an uncomplicated and understandable overview of the collected data. The cross-case analysis is introduced in accordance with each research question under which the two cases are presented.

When the organizations have mentioned the same variable as brought up in the theory this will be marked with a “Yes” in the matrices. However, when a variable has not been mentioned by an organization it does not necessarily implies that it is not used or considered, and will therefore not be marked with “No” only “-“. This since the nature of the interviews was semi-structured with open-ended questions.

### 5.3.1 Strategies for Communicating Corporate Identity

#### *Categories of Corporate Identity*

The structure of the organization at Radisson SAS seems to be more centralized than the structure of Scandic. Scandic have a branded identity, which is common in organizations with a decentralized structure. The parent organization of Scandic, the Hilton cannot be identified in any way through the brand Scandic. Radisson SAS on the other hand has a monolithic identity, the organization does not fundamentally change much and it is important that the parent organization can be located through its brand.

The analysis is portrayed in table 5.1.

**Table 5. 1:** Cross-Case Analysis of Identity Categories

<b>Identity Category</b>	<b>Scandic</b>	<b>Radisson SAS</b>
Monolithic	-	Yes
Endorsed	-	-
Branded	Yes	-

#### *Reasons for Changing Corporate Identity*

Regarding change in corporate identity, it is only Scandic who experience an actual change in corporate identity. The change arose with the internal reorganization in 1994. To indicate that Scandic had changed their way of doing business and to signal that they wanted to differentiate themselves from their competitors, a change in the corporate identity was performed. Furthermore, an updated logo was developed in order to communicate to stakeholders that there had been a change in the identity. Radisson SAS on the other hand, do not recognize an actual change in their corporate identity; instead they want to refer to it as a clarification. The organization believes in the importance of being in tune with the times. Hence, Radisson SAS has chosen to clarify the corporate identity since the demand of information differs from generation to generation. Radisson SAS have however modified the corporate identity in order to differentiate from competitors.

An illustration of the comparison is provided in table 5.2.

**Table 5. 2:** Cross-Case Analysis of Changes in Corporate Identity

<b>Change in Corporate Identity</b>	<b>Scandic</b>	<b>Radisson SAS</b>
Datedness	Yes	Yes
Changing or developing business	Yes	-
Differentiation	Yes	Yes
Unifying diverse activities	-	-
Image building	-	-
Internal motivator	-	-

### *Objectives*

The two cases, Scandic and Radisson SAS, participating in this study appear to attach importance to the same objectives. It emerged that the stated objectives at each organization seem to be in accordance with the same objectives as stated in the theory, except from that Radisson SAS have stated a financial objective as well.

The comparison between the cases is presented in table 5.3.

**Table 5. 3:** Cross-Case Analysis of Corporate Identity Objectives

<b>Objectives</b>	<b>Scandic</b>	<b>Radisson SAS</b>
Fostering a sense of individuality	-	-
Achieving differentiation in a competitive environment	Yes	Yes
Providing disciplinary integration	-	-
Providing a platform for coherent corporate communication	Yes	Yes
Nurturing an image that is consistent with the organization's defining ethos and character	Yes	Yes
Nurturing understanding and commitment among stakeholders	Yes	Yes
Attraction and retaining customers and employees	Yes	Yes
Achieving strategic alliances	-	-
Gaining support of financial markets	-	Yes

### *BAA*

Scandic and Radisson SAS correspond with each other regarding the approach of revealing the actual corporate identity. Although, both the organizations have followed the stages in Balmer's Affinity Audit, each of them has their own way of doing things. At Scandic a vast evaluation involving the employees has been carried out, this in order to examine the dominant systems of values and beliefs within the organization. Radisson SAS have regular meetings and a climate analysis in order to control that the right identity is communicated to the stakeholders.

Table 5.4. provides a summary of the comparison of the two cases.

**Table 5. 4:** Cross-Case Analysis of BAA

<b>BAA</b>	<b>Scandic</b>	<b>Radisson SAS</b>
Establish the corporate mission and strategy	Yes	Yes
Reveal the dominant systems of values and beliefs within the organization	Yes	Yes
Evaluate such system of values and beliefs against the corporate mission and strategy	Yes	Yes
Nurture those values and beliefs which support the corporate mission and strategy	Yes	Yes

### 5.3.2 Tools for Communicating Corporate Identity

#### *Tools Used When Communicating the Corporate Identity*

Both Scandic and Radisson SAS consider the corporations brand name to be the most important tool for corporate identity communication. Furthermore, the organizations are very content with their corporate name, and do not consider to change it in any way. Instead both organizations have chosen to do some minor changes in the graphic design of the logo, in order to reflect the change in the corporate identity. At Scandic the change in the graphical design is an on going process, while Radisson SAS choose to do the change process as fast as possible. Moreover, both organizations consider logo, organizational literature, and uniforms as a part of graphical design to be useful tools when communicating the corporate identity.

Senior management at both Radisson SAS and Scandic uses mission statements when communicating the corporate identity. Both organizations mention the mission in its brochures, and consider it to be a valuable tool to use. However, a code of ethics is not mentioned as a tool in neither of the organizations. Scandic have not developed a slogan and its annual report is not mentioned as a tool for is corporate identity communication. However, Radisson SAS have carefully developed a slogan and consider it to be a useful tool that communicates what the hotels want to focus on. Moreover, Radisson SAS pays a lot of attention to their annual report, and the organization considers it to be the tool that best communicates the corporate identity.

Architecture at the two organizations mainly concerns communicating different concepts involving interior. What the different concepts looks like depends on the target market of each organization. Radisson SAS have a media department. Within this department one person is responsible of all contact with media. Even though Scandic does not have a media department the organization has one person responsible for all media contact.

Both Radisson SAS and Scandic recognizes the importance of Internet as a communication tool for the corporate identity, and have developed Websites for this purpose. Moreover, the Websites at both Radisson SAS and Scandic offers multiple Websites in order to present each of their hotels in detail.

Both Scandic and Radisson SAS use all the tools mentioned in the theory: branding, graphic design, formal statements, architecture, media relations, and Internet. However, what vehicle within each tool that is used may differ.

Table 5.5 shows a summary of the comparison of what tools and the vehicles within each tool that are used.

**Table 5.5:** Cross-Case Analysis of Tools Used for Communicating

<b>Tools</b>	<b>Scandic</b>	<b>Radisson SAS</b>
<i>Nomenclature and Branding</i>	Yes	Yes
New brand name	-	-
Add something to the brand name	-	-
<i>Graphic Design</i>	Yes	Yes
Logo	Yes	Yes
Design style of literature	Yes	Yes
Uniforms	Yes	-
<i>Formal Statements</i>	Yes	Yes
Mission Statements	Yes	Yes
Codes of ethics	-	-
Annual Reports	-	Yes
Slogan	-	Yes
<i>Architecture</i>	Yes	Yes
Buildings Design	-	-
Interior	Yes	Yes
<i>Media Relations</i>	Yes	Yes
A special department handling media	-	Yes
<i>Internet</i>	Yes	Yes
Website	Yes	Yes
Multiple Websites	Yes	Yes

### 5.3.3 Communicating Corporate Identity Internally

Radisson SAS and Scandic use the same implementation channels when communicating the corporate identity internally. Both organizations consider training programs to be very useful. Coaching at both Radisson SAS and Scandic is something done during a face-to-face meeting with the hotel director and the employee, and both these channels are considered to be very effective when communicating. Participating in all kinds of different meetings communicates the corporate identity very well according to both organizations.

Reading manuals, different documents and ethical codes are not considered to be effective channels. However, at Scandic brochures are much used and considered to be one of the organizations best channels for this purpose. A lot of effort is put into developing understandable brochures so that the employees will read them. It is a firm belief at Scandic that brochures are good channels to use. At Radisson SAS the annual report is given to all employees to read. Senior managers believes by reading the annual report the employees will in a fast way get the message of how the corporate identity works. Also, at Radisson SAS a lot of effort has been put into the annual report in order to make it easy to understand.

Neither of the organizations considers watching other employees and memos from managers to be very effective implementation channels.

Even though the application Intranet was invented not too a long time ago it has been adopted by both Radisson SAS and Scandic, and is used to a large extent. Both organizations consider this channel to be a very effective communication channel for corporate identity.

All channels mentioned above are illustrated in table 5.6.

**Table 5. 6:** Cross-Case Analysis of Implementation Channels

	<b>Implementation Channels for Values</b>	<b>Scandic</b>	<b>Radisson SAS</b>
	Training programs	Yes	Yes
	Coaching	Yes	Yes
	Reading manuals or other documents	Yes	Yes
	Reading ethical codes	-	-
	Watching other employees	-	-
more effective	Watching managers	Yes	Yes
-----	Meeting with managers	Yes	Yes
less effective	Memos from managers	-	-
	Participation in meetings	Yes	Yes
	Intranet	Yes	Yes

Senior management at both Radisson SAS and Scandic has recognized the importance of making sure that the employees have identified with the corporate identity as intended. However this is done in several different ways. At Radisson SAS a climate analysis is performed every year in order to find out the weaknesses and the strengths of the organization, whether the employee actually identifies with the organization is evaluated at the face-to-face meetings with each employee at Radisson SAS.

Scandic makes sure that the corporate identity has been correctly interpreted in several ways: during face-to-face meetings, the course “*get smart*” on the Intranet, and through an anonymous investigation every year.

Radisson SAS evaluates whether the corporate identity has been correctly communicated internally through a yearly climate analysis, and face-to-face meetings.

Neither one of the organizations have developed a standardized test including all aspects in the ROIT. However, through all the different evaluation systems, mentioned above, both organizations have managed to cover all aspects discussed in the ROIT-scale, which is shown in table 5.7.

**Table 5. 7:** Cross-Case Analysis of the variables in the ROIT-scale

<b>ROIT-scale</b>	<b>Scandic</b>	<b>Radisson SAS</b>
Evaluate	Yes	Yes
Weaknesses & Strengths	Yes	Yes
A feeling of belonging	Yes	Yes
Congruency between goals and values	Yes	Yes
Positive organizational membership	Yes	Yes
Organizational support	Yes	Yes
Recognition of distinct contributions	Yes	Yes
A feeling of acceptance	Yes	Yes
Security	Yes	Yes

## 6. Conclusions & Implications

*In this chapter, we will restate and answer the research questions based on the data collected from Scandic and Radisson SAS. Conclusions and implications based on previous chapter will be drawn and presented. However, generalizations cannot be made as the study only consists of two cases.*

### 6.1 Conclusions

The internationalisation of the hospitality industry is a rather new phenomenon, and with globalization new dimensions emerge. Within the international hospitality industry the importance of having a well-developed identity for the corporate brand name is crucial. Most customers choose their hotel stays depending on the hotel name. Moreover, customers tend to stay quite loyal to a hotel chain once one has been selected. Due to this IHO's should focus on how to build an image through creating a good reputation. This requires a well thought out strategy that should be communicated to stakeholders. Senior management that decides upon what should be communicated often develops such a strategy, and what tools should be used for these communication efforts. Service is a large part of the hospitality industry, and therefore how the employees have interpreted the corporate identity is crucial.

In order to draw conclusions in this study each set of research question will be answered. By answering those, the research purpose *to gain a deeper understanding of how corporate identity is communicated in IHO's* will be attained. Each research question will be discussed separately, and conclusions will be drawn.

#### 6.1.1 How can the strategies adopted by IHO's for corporate identity communication be described?

The first research question deals with investigating how the strategies adopted by Scandic and Radisson SAS when communicating the corporate identity can be described.

Our study revealed that an organization with a centralized structure want to use the parent organization's brand name in the different brands. Moreover, the strategy for corporate identity communication is influenced by how the communication efforts are handled by the parent organization. A decentralized organization, on the other hand, may develop the strategy on a lower level. Furthermore, the parent organization of decentralized organizations cannot be traced through its corporate brand name.

It can be concluded that both cases participating in this study have changed its corporate identity in order to avoid a dated identity. Radisson SAS consider its identity to have gone through a process of clarification during the years, this in order to keep up with technological development, and to differentiate from competitors. However, this is classified as a change according to the theory, which demonstrates that Radisson SAS actually have changed its identity. Scandic on the other hand have changed its corporate identity for several reasons, due to the internal reorganization it went through in the nineties. Datedness, change in business and diversification is the reasons that have influenced Scandic's identity. Hence the conclusion, that IHO's change their corporate identity and that it happens in order to avoid datedness and to differentiate them from their competitors, can be drawn. The authors of this study consider Radisson SAS to have changed its corporate identity, even though the organization prefers to refer to it as a clarification of the corporate identity.

The study reveals that IHO's state several objectives of communicating the corporate identity. Five main objectives have been found within IHO's. (1) To achieve differentiation in a competitive environment, (2) to provide a platform for coherent corporate communication, (3) to nurture an image consistent with the organization's philosophy and personality, (4) to nurture an understanding and commitment among stakeholders, and (5) to attract and maintain customers and employees. These objectives are in connection with each other and are mainly focusing on the organization's relationship with its stakeholders and competitors. Our findings imply that these relationships are of great importance in IHO's and are hence stated as objectives for communicating corporate identity.

Our study affirms that IHO's put effort into revealing the organization's real personality, which is a prerequisite to the identity, through the dominant systems of values and beliefs within the organization. Both cases investigated state its corporate mission and vision, reveal the values and beliefs, evaluate those, and then nurture them by making sure that these values and beliefs are reflected in every decision within the organization. This in order to ensure that there is a red thread through the vision, mission, values and beliefs. It is important that the driving forces, which sustain the organization's corporate identity, are revealed.

To recapitulate the discussion above, we have listed our main conclusions:

- In a centralized IHO the same strategy is used for all hotel brands.
- In a decentralized IHO different strategies are developed in order to fit each hotel brand.
- IHO's change their corporate identity in order to avoid datedness and to differentiate themselves.
- The main objectives stated within IHO's concerns the organization's relationship to stakeholders i.e. customers and employees.
- The method used within IHO's for revealing the corporate identity includes a four stage process: (1) state its corporate mission and vision, (2) reveal the values and beliefs, (3) evaluate those values and beliefs, (4) nurture those values and beliefs.

### **6.1.2 How can the managerial tools employed by IHO's for communicating corporate identity be described?**

The study revealed that the corporate brand name is considered to be the most important tool for IHO's when communicating the corporate identity. IHO's makes consistent modifications, to keep up with competition; therefore a change in the corporate identity is often made. However, to create a new corporate brand name or add something to the already existing brand name is considered to be too expensive and time consuming. Instead a small change in the graphic design is preferred when IHO's are communicating that an organization has differentiated itself from competitors.

Graphic design is still an important visual tool for senior managers within an IHO to use. The logo, and design style of literature are preferred graphic design tools used by IHO's when communicating its corporate identity, especially when modifications in the identity has been made. However, IHO's do this differently as one of the cases changed the logo discretely over time, while the other made it as fast as possible using a lot of marketing efforts. The theory

recommends the latter, and this is also in accordance with the opinion of the authors of this study.

Formal statements have become an increasingly important tool for corporate identity communication efforts. Annual reports and brochures are the tools mainly used by IHO's. Moreover, a mission statement is developed and often stated in different kinds of written documents. However, codes of ethics are not used when communicating the corporate identity within this industry. Instead IHO's are focusing on developing different values in the strategy, which are then communicated through brochures and annual reports. Brochures are not mentioned in the theory; still it is worth mentioning since both IHO's are using brochures. Furthermore the authors of this thesis noticed, during their visits to the hotels that it is a tool that is commonly used.

Architecture, within the international hospitality industry, focus on building different concepts including interior. Interior may not always be focusing on the rooms as they sometimes also are focusing on different programs, e.g. children's rooms, and lounges for aircrew. The design of the buildings on the other hand is not considered to be a tool that IHO's are using. Instead, location is considered to be a tool that IHO's are using when communicating the corporate identity, in order to reach its target audience. However, location is not mentioned by the theory as a tool. Nevertheless, as both cases in this study consider location it will be concluded that it is a tool taken into consideration for IHO's.

The importance of media is obvious as both cases consider it to be very important. Moreover, one employee is assigned to handle all media relationships, to ensure consistency in the communication transfer. However, international hospitality organizations may not always develop a whole department that handles media relationships.

Websites are useful tools for IHO's when communicating the corporate identity. IHO's have furthermore developed multiple websites in order to provide customers with more detailed information of each hotel. The authors of this study firmly believe that the importance of a well-developed website will continue to grow in the future. Thus, this is a tool that all organizations will use in the future. Furthermore, since it is a fairly new technology further development of websites will probably be invented. To stay competitive websites should be considered as a tool.

It can be concluded that the importance of graphic design is still very obvious; however, other tools are just as important to use, and need to be considered when communicating the corporate identity. Moreover, to use as many tools as possible are important for IHO's in order to reach the stakeholders as often as possible.

Our main conclusions are listed below to sum up the discussion of this research question:

- The corporate brand name is the most important visual communication tool for IHO's when communicating its corporate identity
- The logo is the tool mainly used when communicating a modification/change in the corporate identity in IHO's
- Mission statements, annual reports and brochures are the formal statements IHO's prefer to use as tools
- Location and concept building, as a part of architecture, are frequently used tools at IHO's
- Media relationships are an important tool, and those kind of relationships is preferably handled by one person
- Websites and multiple websites are used as tools at IHO's

### **6.1.3 How can IHO's efforts to communicate corporate identity internally be described?**

In the previous research question the importance of using as many tools as possible was highlighted. In this section how IHO's are communicating the corporate identity to their employees will be summed up. Several implementation channels may be used, and as in the previous section (concerning tools) IHO's consider it to be important to use as many different channels as possible, to ensure that the identity is properly and correctly communicated.

Training programs are considered to be the most useful channel for implementing the corporate identity within an IHO. Therefore, IHO's develop special training programs for this purpose. All employees are required to participate in a training program concerning the corporate identity in order to implement the corporate identity correctly.

Coaching, as a part of face-to-face meetings with managers, is a large part of the internal communication efforts of IHO's corporate identity. Participating in meetings gives managers a chance of communicating the corporate identity in detail and to answer any questions concerning it, hence it is regarded as a good implementation channel.

Even though ethical codes and manuals overall are not considered to be very useful implementation channels, still senior managers in IHO's are using some kind of written document when communicating the corporate identity. The two most common written documents used internally are brochures and annual reports. A lot of effort is put into developing these kinds of documents in order to make them as understandable as possible, so that employees will actually read them.

An intranet is a commonly used channel at IHO's, and is furthermore considered to be very useful. On the Intranet IHO's can make different test and courses concerning the corporate identity available. Moreover, an Intranet is always available for internal use at the hotels. This makes it easy for the employees to take the different courses and learn more about the organization.

The importance of evaluating that the employees have correctly interpreted the corporate identity is apparent. It came forward that IHO's often are using face-to-face meetings when evaluating how the employees actually interpret the organization. However a face-to-face

meeting with the manager can be very misleading since the employee may say what he/she believes the manager want to hear. Instead an anonymous research of whether or not employees truly appreciate the organizations identity, and feel that he/she can identify with it should be made.

The main conclusions discussed above is summarized below:

- Training programs are the most useful channels for implementing the corporate identity within an IHO.
- Coaching as a part of face-to-face meetings is an internal implementation channel for corporate identity.
- Brochures and annual reports are the two written documents used as implementation channels at IHO's.
- Intranet is considered to be a useful implementation channel for corporate identity values at IHO's.
- Evaluation of the corporate communication efforts in IHO's is flagrant.

## 6.2 Implications

In this section we will imply in what field we consider our study to be useful in the future. These implications are mainly useful for managers and scholars, working with or researching this area.

### 6.2.1 Implications for Managers

In the progress of writing this thesis it has come to our attention that codes of ethics are rarely developed at an IHO. Regarding the fact that media is covering large corporations, such as IHO's, closely the importance of ethical behavior should be taken into consideration. A code of ethics, including how all employees are expected to act in delicate issues, can serve as a way of building a good image; hence strengthen a good reputation. Furthermore, by openly stating ethical rules, IHO's may avoid being questioned when wanting to escape relationships where the other party acts unethically. Hence, damage in the organizations reputation can be prevented.

A well-developed slogan can work as a good tune; something people immediately recognize, and connect with an organization. Hence, it is a tool that managers at IHO' should consider putting extra effort into developing, and then use frequently.

Neither of the IHO's investigated, considered design of the buildings when communicating the corporate identity. This since the organizations does not own the buildings. However we claim that when entering a hotel the first impression is the building. Hence, to invest in the design of buildings should be considered when communicating the corporate identity, whether the organization owns it or not. It is important to remember that all different kinds of tools used need to be coordinated when communicating the corporate identity.

### **6.2.2 Implications for Theory**

The purpose with this research was to gain a deeper understanding of how IHO's are communicating their corporate identity. This has been done by thoroughly searching the literature about the topic. Furthermore, we have explored how IHO's actually are communicating their corporate identity through two case studies. Then conclusions have been drawn based on our findings in comparison with the literature. Even though most of our findings coincide with earlier studies, occasionally specific details that have not been discussed by previous researchers have been brought to our attention. Due to this fact we have drawn some conclusions only based on our empirical findings.

We have found that the Internet is a commonly used tool for communication, and that Intranet is largely used within organizations when communicating corporate identity. Moreover, brochures, location and concept building is tools commonly used by IHO's when communicating its corporate identity.

### **6.2.3 Implications for Future Research**

To investigate how IHO's are communicating corporate identity includes several different aspects. This study was limited to only look further into how senior managers actually build a strategy. Whether the values developed within each strategy actually correctly communicates the desired values, according to the mission and philosophy of the organization, should be interesting to find out. Moreover, to further investigate whether this strategy actually follows a red thread in the communication efforts of the corporate identity should also be of interest. Finally, whether some values could be eliminated or added is another interesting point of view to look further into.

Why IHO's are making changes in its corporate identity has been looked into to some extent. However, how IHO's actually manage the change has not been investigated, and is something for future researchers to consider.

The different tools managers use when communicating the corporate identity has been investigated in this study. How these tools are used by middle managers on a marketing level through advertising, public relations etc. should be interesting to find out. Furthermore, to follow this up by analyzing different advertisements, and judge whether or not the stated mission is communicating the intended message from senior management would be motivating to investigate.

Internet and its applications, extranet and intranet, are fairly new tools for corporate identity communication. Hence, further research on to what extent these tools are used and how IHO's consider these tools to be effective is needed. Furthermore, a more thorough investigation of whether the communication efforts on the Internet, e.g. the website, actually transfer the intended strategy is a topic for future researchers.

Finally, an empirical study of how employees within an organization have interpreted the corporate identity of its organization would be interesting, this in order to find out whether the values have been correctly transferred.

By proposing a few interesting research questions to investigate, summarizes the suggestions for future research:

- How can the strategically developed values' employed by IHO's mission and philosophy be described?
- How can the red thread in the communication efforts employed by IHO's for corporate identity be described?
- How can change management concerning corporate identity in IHO's be described?
- How can the marketing communication tools employed by IHO's for corporate identity be described?
- How can the impact of Internet in the corporate identity communication process be described?
- How can the corporate identity communication handled within IHO's be described?

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### **Personal Interviews**

Alvinder, Jeanette, Senior Sales Manager at Radisson SAS, Sweden, 2004-12-10

Frisk, Martina, Media coordinator at Scandic and the Hilton, Sweden, 2004-11-30

## Appendix I: Interview Guide - English Version

Name of the organization:

Name of respondent, years and position in organization/line of business:

1. Please, describe the organization's corporate identity. What are the objectives with the organization's communication efforts of its corporate identity?

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2. Please, describe how the organization has developed the strategy it applies in order to communicate the current corporate identity.

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- What is the result?

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- How does the organization retain the corporate identity?

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3. Has the organization's corporate identity changed during the years? Why and how?

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4. Would you please choose which category of the following three you consider to be the most suitable for your organization?

- Monolithic, *The same name and visual style is used in all external communication*
- Endorsed, *When a corporation has several products or businesses that have their own semi-independent identities but are also endorsed by the corporation.*
- Branded, *When an organization promotes several different brands separately and the customer cannot guess the corporate parent by looking at the brand.*

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5. Could you describe the different tools that are mainly used when communicating towards external stakeholders?

- Branding
- Graphic Design
- Formal Statements
- Architecture
- Media Relations
- Internet

6. Please describe how the organization communicates the corporate identity internally?

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7. How does the organization implement values internally? Please discuss the different channels presented below.

- Training Programs
- Coaching
- Reading manuals or other documents
- Reading ethical codes
- Watching other employees
- Watching managers
- Meetings with managers
- Memos from management
- Participating in meetings
- Intranet

8. How does the organization evaluate if the personnel apprehend the corporate identity as the management intend it to be apprehended?

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9. Do you have any additional comments regarding the organization's corporate identity?

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Thank you for your time; it is appreciated!

May we contact you via e-mail if any additional information regarding the subject is needed?

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## Appendix II: Intervjuguide - Svensk Version

Företagets namn:

Respondentens namn, position och antal år i företaget/branschen:

1. Beskriv företaget identitet. Vilka målsättningar har företaget med sin kommunikation av företagets identitet?

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2. Beskriv hur företaget har utvecklat/kommit fram till den strategi man använder för att kommunicera den nuvarande identiteten som företaget har.

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- Vad har detta givit för resultat?
- 

- Hur bibehåller företaget den önskade identiteten?
- 

3. Har företagets identitet förändrats under årens lopp? Av vilken anledning? På vilket sätt?

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4. Med vilken av följande kategorier identifierar du företaget?

- Monolitisk identitet, *samma namn och visuella stil används helst i all extern kommunikation*
  - Tillhörande identitet, *företaget har flertalet produkter eller avdelningar som till viss del kan kopplas samman med moderbolaget*
  - Varumärkt identitet, *flera olika märken inom företaget och kunden kan ej koppla samman de olika märkena med moderbolaget*
-

5. Beskriv vilka kommunikationsverktyg/medel som används vid extern kommunikation av företagets identitet?

- Varumärke
- Grafisk Design
- Formellt
- Arkitektur
- Media
- Internet

6. Hur kommuniceras företagets identitet internt?

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7. Hur implementerar företaget etiska regler och/eller värderingar internt? Vänligen, se över nedanstående alternativ.

- Träningsprogram
- Coachning
- Manualer och andra dokument
- Etiska regler
- Iaktta andra anställda
- Iaktta ledningen
- Ledningsmöten
- Meddelande från ledningen
- Medverkan i möten
- Intranät

8. Utvärderas, om personalen verkligen uppfattar företagets identitet så som ledningen avser?

---

9. Är det något du skulle vilja tillägga angående företagets identitet?

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Tack för din medverkan!

Får vi återkomma med ytterligare frågor i e-mail om vi behöver komplettera något?

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**Appendix III: The Compass of Profitability at Scandic**

