The Importance of Managing the Corporate Identity

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Preface

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Abstract

This thesis explores the importance of managing the corporate identity. To reach this purpose, three research questions were posed: Which advantages companies saw with managing the corporate identity, which risks they saw with a lack of managing the corporate identity, and what do they consider when managing the corporate identity. To answer these research questions, a case study methodology using in-depth interviews was followed focusing on two multinational companies, IKEA and Electrolux. The findings show that companies are very aware of the importance of managing the corporate identity as well as which benefits this can result in.
1. Introduction

The first chapter of this thesis begins with providing a background of the research area, which is followed by a problem discussion providing a clarification of the concept Corporate Identity (CI) leading to a purpose of the thesis and specific research questions. The chapter ends with an overview of the entire thesis.

1.1 Background

Consumers view a brand as important, since a strong brand can be perceived to be of superior quality and more desirable than competitive brands in the market. Furthermore in order to develop a strong brand a great deal of long-term marketing investment is required. This intimidates many companies from building a brand, but most companies have learned that the power lies with the companies that control the brands. (Kotler, Armstrong, Saunders and Wong 1996)

According to Aaker (1996), the brand strategists seek to create or maintain a brand identity by a unique set of brand associations, which represent what the brand stands for. Brand identity should help to establish a relationship between the brand and the customer. It is necessary that a company consider the brand as a product, an organization, a person and a symbol to help clarify, enrich and differentiate the identity. However, not all of these perspectives are appropriate to employ for all brands. The brand identity structure consists of two parts, the core and extended identity. When letting the brand go into new markets and products the core identity will most likely remain constant, and it is the central, timeless essence of the brand. The extended identity provides texture and completeness and includes brand identity elements, structured into interrelated and important groupings. (Aaker, 1996)

The management of brands is especially done with product and corporate brands (Kotler et al, 1996; Balmer, 1995). Furthermore according to Balmer (1995) a strong and favorable corporate brand gives among other things an added value to products and services. Corporate brand management is vital and in order to be able to cope with the corporate brand strategies invariably change and a successful corporate brand management, firstly a company must have a clear corporate personality and corporate identity. Secondly an accurate information regarding perceptions held of the organization by its stakeholders, the company image, is also demanded. Balmer and Gray (2000) say that the stakeholders are i.e. the customers, employees and suppliers. Nowadays the strategic importance of corporate brand management is almost unquestionable according to Balmer (1995). Askegaard and Christensen (2001) claim that the current issue is more relevant than ever due to the increased competition with brands, the intensified communication and the arrival of new information technology. Furthermore with the growing media attention and the increasing critique of private business corporations by various interest groups, marketers has begun to consider the value of a positive corporate image or estimation in the public.
Identities create a corporate and brand image. But there are many marketing activities besides an organization’s identity that contribute to image. Some of these include sponsorships, public relations, crisis management, and a supporting advertising. All these activities affect the public image of a brand and its reputation, and of a company and its value to investors. (Schmitt & Simonson, 1997)

According to Askegaard and Christensen (2001) the increased attention on brand identity and image has not resulted in more precision when it comes to theory. Although a number of significant attempts have been in order to clarify the definitions of identity and image, there is still an often a lack of consistency when these terms are adopted to theoretical models or applied in practice.

Corporate image is how the stakeholders perceive a brand. On the other hand, identity deals with how managers and employees make a brand different from all other brands. (de Chernatony and Harris 2001, Markwick and Fill 1997) This fact has shifted the branding literature from brand image to brand identity (de Chernatony and Harris 2001).

For this thesis a study of the corporate identity will be done as its management is according to the authors what influences both image and reputation.

1.2 Problem discussion

Corporate identity (CI) is nothing more than the branding and the packaging of an entire company (Murphy, 1992). CI is an overview that among other things consists of a company’s business concept, strategies, leadership style, products, packaging, architecture and personnel, where everything integrates. A company’s identity is partly depended of content in form of company culture and symbol language, and to what extent these reach the audience. The company identity is the interface between the company and its surroundings. Identities facilitate by clarifying internally and externally the company’s purpose or business concept and also create belonging and security. (Hinn & Rossling, 1994)

The definition of corporate identity from a communicating point of view is the total of visual and non-visual means applied by a company to present itself to all its relevant target groups on the basis of a corporate identity plan. (Balmer and Wilson, 1998)

Due to the problems of defining identity the International Corporate Identity Group (ICIG), whose leading committee includes important academics and leading consultants, has instead given a statement that expresses clearly the multidisciplinary nature of the area and its difference from brand management. According to ICIG corporate identity differs from traditional brand marketing since it is concerned with all of an organization’s stakeholders and the multifaceted way in which an organization communicates. Furthermore they claim that every organization has an identity that reflects the corporate ethos, aims and values, which present a sense of individuality that can help to
differentiate an organization within its competitive environment. (Balmer and Wilson, 1998)

Balmer and van Riel (1997) state that many academics realize that a corporate identity refers to an organization’s distinctive characteristics, which are rooted in the behavior of members of the organization. Furthermore they argue that the management of an organization’s identity is of strategic importance that requires a multidisciplinary approach and that senior managers are able to narrow a gap between the actual and desired corporate identity through guiding and organizing the corporate identity mix. According to the authors the corporate identity mix is the behaviors of organizational members, communication and symbolism. Symbolism is the visual identification or logos and is a mean to communicate corporate strategy (Balmer and van Riel, 1997 and Rowden, 2000).

In short, a strong corporate identity means that, in which all the company’s identity carriers collaborate to accomplish a positive image, all those who can affect the company’s success and survival has a clear picture of what the company is and wants according to Hinn and Rossling (1994).

If an organization effectively manages its corporate identity, the organization can build understanding and commitment among its diverse stakeholders. This can be noticed in an ability to attract and retain customers and employees, achieve strategic alliances, gain the support of financial markets and generate a sense of direction and purpose. A conclusion can be drawn that corporate identity is a strategic issue. (Ibid)

The greatest benefit of identity according to Rowden (2000) is being seen to be different, because this makes a company visible and separates the company from others. Furthermore Rowden (2000) states that it is important that what makes a company different attracts, motivates and guides the personal in accordance with the company’s ambition. According to Balmer and van Riel (1997) and Balmer and Wilson (1998) an effective corporate identity management (CIM) will hopefully lead to a favorable corporate image and, over time, a favorable corporate reputation. Corporate reputation is the judgments made of the company over time based on the company’s behaviors, performance, and the collective experiences of the company (Balmer, 2003). The difference between a reputation and an image is that image focuses on the latest beliefs while reputation refers to the perception of a company that is built up over a period of time (Balmer 1998)

An unsuitable identity can only mislead and get in the way of the company. A complete lack of any planned identity produces even worse; the unknown and inevitably the undesirable. (Rowden, 2000) According to Markwick and Fill (1997) all companies have a corporate identity, but while some try to actively manage their identities others care less by which they confuse their audiences, under-perform in their markets and unconsciously contribute to the formation of negative reputations.
The awareness of the identity’s importance has steadily increased among companies, especially when dealing with an acquisition, merger and stock exchange introduction there is a great need to show a clear corporate identity (Hinn and Rossling, 1994). Furthermore Balmer (2002) states that all kinds of organizations have a corporate identity more or less; some of the organizations are focusing more than others on the corporate identity management.

Most successful identities are those who build on clear understandable, consistent and with endurable messages, that are in agreement with the company’s objective, since the corporate identity is the sum of all that is said and done by the company. It consists of the soul of the company and projects it through products, people, design, advertising etc. (Hinn and Rossling, 1994)

According to Balmer and van Riel (1997) most of the literature on corporate identity sees corporate management as taking into account an organization’s historical roots its personality its corporate strategy and the three parts of the corporate identity mix in order to acquire a favorable corporate reputation which results in improved organizational performance. Reputation and performance are also influenced by developments in the external environment such as changes in the behavior of corporate stakeholders such as customers, personnel and government. Internal consistency and congruency are vital to the successful external communication of corporate identity (Harris and de Chernatony, 2001).

Corporate communication is the process through which stakeholders perceive that the company’s identity, image and reputation are formed according to Balmer and Gray (2000). The corporate communication mix consists of 10Ps as opposed to the marketing mix 4Ps (Balmer, 1998). According to Balmer and van Riel (1997) the corporate communication mix and its management are fundamentally different from and are more complicated than, the marketing communications mix.

Organizations should consider to not only the multifaceted channels by which they communicate and to take into account that there are other groups other than customers which are important to them (vertical communication), but also to take account of the effects of communication over time (horizontal communication). This has led to the concept of Total Corporate Communications (Balmer, 1998). Furthermore Balmer (2002) talks about a communication that refers to the multifaceted way in organizations communicate—that is, the total corporate communication. Total corporate communications encompasses primary, secondary, and tertiary communication. The primary communication relates to the communication effects of i.e. the organization’s products and services, pricing, and distribution policies. Secondary communication encompasses formal corporate communication tools such as advertising, public relations, graphic design, and visual-identity systems. Tertiary communication refers to word-of-mouth communication such as media and competitor communications (Ibid).

According to Kotler et al (1996) companies must select the right channel of communication. There are two broad types of communication channel, which is personal
and non-personal. A personal communication channel is when two or more people communicate directly with each other.

Rowden (2000) states that a successful identity is planned to succeed at all levels of communication. Only when this has been done can an organization communicate an identity that ensures success and steers away from failure.

1.3 Research Purpose and Questions

The discussion presented earlier has led to the purpose of: To provide a better understanding of how international organizations manage their corporate identity. In order to reach an understanding of the purpose, the following research questions have been developed:

1. How can the objectives of managing a corporate identity be described?
2. How can the risks with a lack of corporate identity management be described?
3. What must a company consider when managing a corporate identity?

1.4 Outline of the Thesis

Figure 1.1 visually shows the outline of the chapters in the thesis in order to enable the reader to get a better picture of the thesis.
2. Literature Review

After providing a background to the research problem in the previous chapter, it is now suitable to present a literature review within the area of research. The literature review includes presenting previous literature concerning the research questions. First, the objectives and risks of the CIM, thereafter the management and the communication of CI are discussed.

2.1 Objectives of Corporate Identity Management

Two important objectives with managing the corporate identity are to acquire a favorable image and reputation according to Balmer (1998), Balmer and van Riel (1997) and Balmer and Wilson (1998). As a result of reaching the two objectives that is a favorable image and reputation, stakeholders are inclined to use the company’s products and services (retail customers), to trade with the company (industrial customers), to purchase stock in the company (shareholders), to work for the company (employees), to provide a sympathetic legal framework (government), and to speak well of the organization (the media and local communities) according to Balmer and Wilson (1998). These results could in other words be described as derived benefits. On the other hand Balmer (1998) claims that there is little advantage if a company have a favorable corporate identity if the corporate image and corporate reputation are bad.

Derived benefits of having a strong and favorable corporate brand are that it distinguishes a company in an increasing competitive commercial environment, it strengthens the view of a company’s marketing organization, results in consistency in consumer demand, which gives added value to products, higher financial margins, protection from competitors and attracts top personnel, and has also a financial worth. (Balmer, 1995)

Balmer (2002) and Balmer and Gray (2000) claim that companies are better prepared, if they manage their corporate identity, towards external environment influences that can drastically change the conditions under which the company operates.

Corporate identity can make a merger less painful. Several companies that have participate in a merger and gained new identities have a dramatically increased internal morale. The staff turnover is also reduced, and the work productivity, quality control, and recruiting improve substantially. Among publicly held companies that have undergone identity change the investor climate is of then the first to experience improvement. (Selame, 1988)

A negative industry image or country of origin image could impact unfavorably on what might be a positive corporate identity. An objective is to strive in order to achieve and maintain a positive corporate image among their key stakeholders and stakeholder groups. They need to take into account changes in the environment and thus, over time acquire a favorable corporate reputation, which reflects a positive and strategically advantageous corporate identity. (Balmer, 1998)
According to Rowden (2000) the biggest derived benefit is being seen to be different, because this makes a company visible and separates the company from others. Furthermore the Rowden states that it is important that what makes a company different attracts, motivates and guides the personnel in accordance with the company’s ambition, which could be described as objectives of a CIM.

Balmer and van Riel (1997) state that derived benefits of CIM, if it is successfully done, are that stakeholders will have a willingness to buy an organization’s products and/or services, to work for or to invest in the organization. Furthermore the authors claim that there is evidence to support the fact that a company can gain a competitive advantage by having a favorable reputation.

Christensen and Askegaard (2001) claim that a strong identity has a number of potential benefits for an organization by adding value to increasingly similar products, producing consumer confidence and loyalty, stimulating investments, attracting high-quality personnel, and nurturing employee motivation.

2.2 Risks with a Lack of Corporate Identity Management

The author, Rowden (2000) states that an unsuitable identity can only mislead and get in the way of the company. Furthermore a complete lack of any planned identity produces even worse; the unknown and inevitably the undesirable.

Markwick and Fill (1997) claim that all companies have a corporate identity, but while some try to actively manage their identities others care less by which they confuse their audiences, under-perform in their markets and unconsciously contribute to the formation of negative reputations.

According to Kiriakidou and Millward (2000) and Markwick and Fill (1997) a lack of a clear or consistent CI could mean that the view and expectations of different employee groups are fragmented which will lead to confusion amongst other stakeholders when dealing with different groups of employees.

An organization that has a favorable corporate image but an unfavorable corporate identity lives in the constant danger that the reality of the organization may be discovered. The situation is complicated by the fact that different groups and individuals are likely to evaluate organizations on different dimensions and may hold different perceptions of an organization. (Balmer, 1998)

2.3 Managing a Desired Corporate Identity

Balmer and Wilson (1998) state that several academics argue that a multidisciplinary approach should be adopted when managing the corporate identity. According to Balmer and van Riel (1997) the literature sees CIM as taken into account different factors. The
first factor is the company’s culture history, which is also emphasized by Balmer (1995) and Balmer and Greyser (2002). The second factor is the corporate personality, which has an important role according to many authors (Balmer and van Riel, 1997, Markwick and Fill, 1997 and Kiriakidou and Millward, 2000). Corporate strategy is the third factor according to Balmer and van Riel (1997). The fourth factor according to the authors, which is based on Birkigt and Stadler’s (1986) as referred by Balmer and van Riel (1997) mix, are the three parts of the corporate identity mix, which are behavior of organizational members, communication and symbolism.

Figure 2.1: The corporate identity management mix
Source: Balmer, 2002 p. 23

2.3.1 Corporate Identity Management Mix

Balmer (2002) does not fully agree with the approach mentioned earlier. The author’s literature-based study of corporate identity has led him to several important findings. Firstly the author has in his research found evidence that the corporate identity mix should be modified in order to be in accordance with his findings. The new corporate identity mix should consist of strategy, structure, communication and culture as can be seen in figure 2.1. Secondly the author has a different approach to manage the corporate identity as a corporate identity management mix is developed that consists of the corporate identity mix and an augmentation of it with three new elements that are environment, stakeholders and reputations. This can be seen in figure 2.1 (Balmer 2002)

As the corporate identity management mix is a widening of the corporate identity mix suggested by Balmer 2002, we will handle both in chapter 2.3.1.

Balmer’s (2002) corporate identity mix major difference towards the former mix is that the importance of symbolism has been reduced, because too much reliance has been accorded to graphic design in effecting corporate change in the past. Another important issue is that many of the factors mentioned by Balmer and van Riel (1997) as for example culture history and strategy is a part of the new mix, which means a widening of the
corporate identity mix. Balmer (2002) states that a company’s identity can never be completely managed, due to the existence of multiple identities and multiple subcultures in an organization. Furthermore the author claims that the corporate identity mix cannot capture every nuance of the mix. However, the mix can identify key components and articulate the extent of the area.

Strategy

According to Balmer (2002) strategy is a product of conscious policies initiated by senior management, which consists of:

- Management vision/mission (including the nature and scope of corporate activities) and corporate philosophy; according to Balmer (1995) the corporate mission and philosophy is the definition of a company’s core competencies, its position on the market and the expressed values of the corporate owner or of its chief executive and management board. Furthermore the author states that a clearly articulated mission and philosophy is necessary, if there is a lack of it the company should define them before it goes on.

- Corporate strategy; Higgins and Bannister (1992) as referred by Markwick and Fill (1997) have suggested that the images held of different aspects of an organization’s corporate strategy process have a strong influence on the strategic credibility.

- The performance of products and services, as well as corporate performances, for example financial performances.

- The defining set of values that the organization promises to maintain and deliver, and corporate architecture.

- The nature of corporate ownership.

Structure

The structure of an organization is a key determinant of the company’s identity. Furthermore an identity is substantially affected by the two-way and sometimes multiple relationships between the parent company and its subsidiaries or business units. Relations with alliance or franchise partners may also be significant. (Balmer, 2002)

Communication

This part of the mix refers to the multifaceted ways in which companies communicate according to Balmer (2002).

According to Balmer (1995) there is disagreement about the importance of corporate communications, it is not always appreciated that corporate communications is
fundamentally different from the marketing communications mix. This is for the simple reason that everything a company does will in some way communicate the company’s identity. Corporate identity means grappling with a company’s communication at its fundamental level, identifying the essence of a/the company and expressing it in a multitude of ways. Many other authors’ have written about marketing communication and marketing communication tools. Therefore, numerous of theories in marketing communication have been found, that differ both in number of tools and also in what tools it includes. A complete identity should cover all aspects of visual, written and spoken communication, no road you are about to proceed down should remain unaddressed. (Balmer, 1995)

Markwick and Fill (1997) state that corporate communication is the process which translates corporate identity into image and emphasizes the means that companies use to present themselves to their stakeholders.

Balmer (1997) claims that companies need to consider to not only use multifaceted channels when communicating, but also take into account that there are other groups than customers which are important to them (vertical communication), but to take to account of the effects of communication over time (horizontal communication). This has given rise to the concept of Total Corporate Communications (TCC). Balmer and Greyser (2003) state that corporate communication is more seen as the total corporate communication with three types of forms. The first form is Primary Communication; it is the communication effects of product/service performance, company policies, and employee behavior. The next form is Secondary Communication, which includes the planned, “formal” communications policies of company that usually makes use of traditional communications channels such as advertising, public relations, and sponsorship, as well as systems of visual identification. At last, Tertiary Communication consists of the all-important communication effects of third-party communication, which includes, among others, word of mouth, media interpretation, and competitor communication. With other words all communication the company directly not can control. Primary communication presents a positive image of the company and set the stage for a strong reputation (Balmer and Gray, 2000). According to Markwick and Fill (1997) the images that stakeholders form an organization are not merely an impression of the corporate identity. Furthermore the authors claim that corporate images are also influenced by the actions of competitors, industry or sector developments and other environmental factors.

In Corporate marketing Balmer (1998) talks about the 10Ps instead of the 4Ps where some of the variables can be fund within the Primary Communication, which is:

- **Philosophy and ethos (All the factors in the Primary Communication):** what the organization does, stands for and the way it undertakes its work.
- **Personality (All the factors in the Primary Communication):** the mix of ideologies present within the organization and which are necessary to underpin the corporate philosophy and ethos.
People (Behavior towards employees and Employee behavior to other stakeholder): a recognition of the importance of personnel as a part of the corporate communication mix, for example staff behavior, internal communications, its role in influencing other stakeholders, a concern with Total Quality Management (TQM) and the importance of attracting and retaining personnel.

Product (Product and services): what a corporate/company makes or does.

Price (Product and Services): what it charges for its products and services including the “added value” and the “goodwill” element in the valuation of its corporate and product brands, what it pays personnel, share price etc.

Place (Market behavior, and Product and Services): distribution channels, a company’s relationship with distributors, franchising arrangements etc.

Promotion (Market Behavior): Branding policy; monolithic, endorsed, branded; visual identity and corporate symbolism, interior design. A concern with Total Corporate Communication as explained in this article, i.e. controlled and uncontrolled corporate communications over time and among a company’s stakeholder group.

Performance (Market Behavior, Behavior towards employees): how the company’s performance is related by its key stakeholders vis a vis the company’s espoused philosophy and ethos as well as that of competition.

Perception (Market Behavior): questions relating to corporate image (the mental picture of an company) and corporate reputation (a value judgment of the company’s attributes by stakeholders and stakeholder groups). Also takes into account the perception of country of origin (national identity), industry sector (generic identity) and main activity/ies of employees (professional identities).

Positioning (Behavior towards employees, Employee behavior to other stakeholders and Non-market behavior): in the minds of important stakeholders, in relation to competition in the market and in relation to the numerous channels of communication.

Within the Secondary Communication the 10Ps are such as:

- Philosophy and ethos (Visual identification systems)
- Personality (Visual identification systems)
- Promotion (Formal, Corporate and Communications – Advertising, Sales promotion, Personal selling, Public relations, Direct marketing and Visual identification systems).
- Positioning (Formal, Corporate, Communication and Visual identification systems).

Finally, the Tertiary Communication has these factors:

- Philosophy and ethos
- Performance (Competition – communication and ”spin”)
- Perception (Word-of-mouth, media interpretation and spin)
Corporate communications project the elements of a company’s corporate identity to produce corporate image that people have of the company. Collectively, the corporate name, logo and tagline are typically referred to as a company’s “corporate identity”. The consistent use and exposure of this corporate identity in all forms of marketing, and advertising in particular, is usually believed to assist in the public’s learning about the company. And over the long term, a company’s corporate identity is believed to affect the public’s perception of the company. The practitioner literature, contained mostly in graphic design periodicals, advertising magazines and public relations journals, typically defines corporate identity strictly by focusing on the visual arrangement of elements - the corporate name, logo and tagline - put forth by a corporation. In order for a corporate identity to move from the company’s control to the domain of the consumer, exposure of the corporate identity must take place. This is possible through interpersonal customer contact, but the most widespread exposure is likely to take place through formal mass communications channels such as advertising and public relations. (Westcott Alessandri, 2001)

More and more companies recognize that they can promote its products, divisions or subsidiaries across the world to highlight a single and powerful identity. This view of communications goes beyond the well known domains of advertising and marketing where brands occur, to the broader domain of corporate identity, visual identity and corporate visual identification systems that are used to position whole companies. (Melewar and Saunders, 2000)

Several companies are comfortable to believe that its logo, and some other small things, is its identity. However, this is a base, for a logo, often the most visible graphic element indicates only part of a generally identity. Successful identity is supposed to succeed at all levels of communication. Only then does a company communicate an unsuitable identity that can only mislead and obstruct the wearer, and a complete lack of any planned identity produces worse: the unknown and inevitably, with other words the undesirable. (Balmer, 1995)

According to Kotler and Armstrong (2001) a corporate total marketing communications program is the promotion mix, consists with a specific combination of advertising, personal selling, sales promotion, public relations, and direct marketing. These factors according to Balmer (1995) are seen as a Secondary Communication variable in thought of the 10P’s that have been mentioned earlier.

Advertising is most used of consumer product companies usually to put more of its funds into advertising, followed by sales promotion, personal selling and then public relations. It is relatively more important in consumer markets because there are a lager number of buyers, purchases tend to be routine, and emotions play a more important role in the purchase-decision process. In contrast, industrial companies put most effort on personal selling and trade shows. (Kotler, Armstrong, Saunders and Wong 1999)

Gregory and Wiechman (1999) show that companies that practice corporate advertising outscore non-practitioners in every studied area. Studied categories include increased
Literature Review

awareness, overall favorable impressions (such as job recommendations and stock investment), and association with positive attributes, such as high-quality products, innovations, good financial performance, competent management, and honesty. Companies use corporate advertising to adjust the perception of its publics and create a more realistic awareness of them in the marketplace.

**Sales promotion**

An increasingly important communication tool is sales promotion. Sales promotion consists of short-term incentives, in addition to the basic benefits offered by the product or service, to encourage purchases or sales of that product or service that the company has to offer. Sales promotion includes a wide variety of promotion tools designed to stimulant earlier or stronger market response (Kotler, 1996). There are some different types of sales promotions, such as sales force promotion that means sales promotion designed to motivate the sales force and make sales force selling efforts more effective, including bonuses, contests and sales rallies. (Kotler et al., 1999)

**Personal selling**

According to Kotler et al. (1999) another type of integrated marketing communication tool or promotion tool used by companies that can communicate the corporate identity is personal selling. It means oral presentation in a conversation with one person or more with the purpose of selling a product or service.

Shimp (1997) is another author who states that each marketing communications element has its own unique characteristics, purpose and advantages. The personal selling activity is crucial to enhancing a company’s equity and the fairness in individual brands. The primary disadvantage of personal selling is that it is more costly than other forms of promotion because sales representative usually interact with only one customer at a time, but personal selling is generally more effective than other promotion elements.

**Public relations (PR)**

Public relations means building good relations with the company’s various publics by obtaining favorable publicity, building up a good corporate image, and handling or heading off unfavorable rumors, stories and events. Major PR tools include press relations, product publicity, corporate communications, lobbying and counseling. Publicity is activities to promote a company or its products by planning news about it in media not paid for by the sponsor. (Kotler et al., 1999)

**Direct marketing**

Direct communication or more known as direct marketing, is an important promotion tool that directly and carefully targets individuals to obtain an immediate response in both consumer markets and industrial markets. Direct marketing normally involves the use of
mail, telephone, fax, e-mail, and other non-personal tools for communication directly with specific consumers or industrial buyers. (Kotler et al., 1997)

Another type of direct communication is through the World Wide Web; it is an effective way to communicate the corporate identity. In the beginning, computers on the Internet could only send and receive text messages. However, through the introduction of the Web, it is today also possible to send data in the form of voice, photos, graphics, animation, and video. Make it possible for interactive marketing, since the user is actively and directly responding to, for example, a company’s promotion campaign (Mathiesen and Zimmerman, 1998). In addition, the Web allows great direct marketing potential, as well as early stage marketing (Berthon, Pitt and Prendergast, 1997). The Web is the user friendliest facility and, hence, it has become the most fast-growing and commercially popular segment of the Internet (Mathiesen & Zimmerman, 1998).

Culture

This part of the mix refers to elements that are at the center of a company’s corporate identity. These elements are usually difficult to observe and explain and are very problematic in terms of their management. They consist of the mix of subcultures present within, but not always originated from the organization. (Balmer, 2002) Kiriakidou and Millward (2000) found that different departments perceive the actual characteristics of the organization in different ways and thus providing support for the existence of multiple subcultures in their research. There was according to Kiriakidou and Millward (2000) a clear discrepancy between employee perceptions of the actual and the ideal identity of their company. Kiriakidou and Millward criticizes that too many corporate identity programs are to vision driven and aim to communicate or nurture a single corporate identity based on the vision and aims of the top management. Instead according to the authors these efforts need to understand the company’s actual corporate identity and give the cultural underpinnings a greater attention.

According to Balmer (2002) the subcultures are visible by the strength of employees’ affinities to these subcultures. These subcultures may in some instances consist of corporate, national, regional and professional subcultures. (Balmer, 2002) These cultures may mirror the philosophy of past, present and future leadership styles and philosophies (Balmer and Wilson, 1998). Kiriakidou and Millward (2000) claim that corporate personality is based on local meanings and organizational symbols and therefore rooted in organizational culture.

Corporate personality is also sometimes known as organizational identity, but in this thesis we will only refer to it as corporate personality, which is what Balmer and van Riel (1997) names it.

Markwick and Fill (1997) suggests that the corporate personality is manifested in the unique combination of product offering, facilities, culture, values and beliefs, capabilities, staff, structures, systems and skills. The authors claim that corporate personality is what the organization really is.
According to Markwick and Fill (1997) it is important to have a clear appreciation of the corporate personality. Furthermore the authors state that before a company communicates its identity, there has to have been some prior understanding of their individual personality. Balmer (1995) argues that the corporate personality is the cornerstone of corporate identity formation. The author claims that corporate personality refers to the distinct mix of ideologies within a particular organization and thus reflects to the various loyalties employees have to different cultures, i.e. organizational, departmental, and professional. Kiriakidou and Millward (2000) argue that the corporate personality is at the core of the corporate identity. Furthermore they claim that corporate identity is the tangible representation of the corporate personality, in other words it is the expression shown through the behavior and communication of the organization. The authors therefore argue as Markwick and Fill (1997) that any attempts to manage corporate identity should reflect the corporate personality of the company because the visible expression of the corporate personality must reflect the values actually held by the company’s members and not only the desired and idealized efforts of the management board.

Kiriakidou and Millward (2000) and Balmer (1991) as referred by Balmer (1998) state that the definition of corporate personality is the set of beliefs a member holds about the existing character of the organization. Furthermore, Kiriakidou and Millward (2000) claim that it is the set of beliefs employees use to describe what is central, enduring and distinctive about their organization and it also works as an important schematic filter through which members interpret information about their organization. Further Balmer (1996) as referred by Balmer and van Riel (1997) states that the composite of values and beliefs that is those of the company’s founder, those of the holding organization, those of the subsidiary and business units, those of a professional class and those of an external culture. Balmer (1998) state that a company can have several corporate personalities for various reasons, for example mergers, new management team or because of restructuring. Furthermore a corporate personality can be heavily influenced by a single person, mostly by the founder of the company in the early years of the company.

According to Kiriakidou and Millward (2000) culture plays an important role in the development and carrying through of corporate identity, since the corporate personality is based on local meanings and organizational symbols and is therefore rooted in organizational culture. The authors define culture as the corporate values that are held by staff and management and their concrete manifestation in organizational symbolism and behavior which frame the way that the organization operates. These values reflect the organization’s identity, the type and quality of its products and services, company performance and corporate behavior. Important to know according to the authors is that many other authors have implied that the values held by personnel within the company are at the heart of a corporate personality formation process.

Markwick and Fill (1997) propose that in order to understand corporate personality it is necessary to examine two aspects. First is the company’s mission, strategy and philosophy and second is culture, which is the very heart of an organization according to the authors. They further state that these will help to reveal its purpose and significance, its values and beliefs, the way the organization works and the means by which its
behavior is bounded. All this with the tangible aspects of a company, constitute, in the opinion of the authors, the corporate personality. Balmer and van Riel (1997) state that a prerequisite to understanding the corporate identity is to have knowledge about the corporate personality, for this purpose Balmer (1996) created Balmer’s affinity audit (BAA). The BAA requires that the researcher to gain wide access within the organization in order to reveal the dominant systems of values and beliefs. By viewing the everyday language, ideologies, rituals and beliefs of personnel the researcher will know the system of values and beliefs of the organization. The advantage of the audit is that it will reveal the company’s corporate personality. A basic four-stage process is involved in the BAA, which can be seen in figure 2.2:

1. Establish the corporate mission and strategy
2. Reveal the dominant systems of values and beliefs against the corporate mission and strategy
3. Evaluate such systems of values and beliefs against the corporate mission and strategy
4. Nurture those values and beliefs, which support the corporate mission and strategy

Environment

According to Balmer and Gray (2000) the ten environmental forces that contribute to the increased importance of corporate identity and corporate communications are:

1. Acceleration of product life cycles (PLC).
2. Deregulation.
3. Privatization programs.
4. Increased competition in the public and non-public sectors.
5. Increased competition in the service sector.
6. Globalization and the establishment of free trade areas.
7. Mergers, acquisition and divestitures.
8. Shortage of high-caliber personnel.
10. Breakdown of the boundaries between the internal and external aspects of organizations.
Acceleration of product life cycles (PLC)

The acceleration of product life cycle is one of the critical trends and nowhere is it more evident than in consumer electronics. Consider the audio segment of the market where tapes replaced records and, in turn, were superseded by compact discs, which in the future may be supplanted by digital audiotapes. Companies with high visibility and strong reputations, such as Sony and JVC, have competitive advantage in such fluid markets because their respected names add value to their products by reducing uncertainty in the minds of their customers, retailers and distributors. (Balmer and Gray, 2000)

Deregulation

The deregulation movement is a second factor affecting corporate identity. As a case in point, deregulation in the financial services industry has allowed companies to compete in new areas but this has left their public images blurred. Its principal challenge now is to modify its public persona accurately. For instance, the airline industry in both the USA and the UK has, as result of deregulation, undergone profound change. In the USA this has resulted in the emergence of cut-price airline such as Southwest Airlines, while within the UK low-cost airlines such as Easy Jet, Go and Ryan air have also emerged. (Ibid)
Privatization programs

Privatization programs have also left companies vulnerable to identity crises. New companies are in need of crystal clear corporate images to differentiate themselves from its competitors as well as from its former nationalized positions. One good example is British Airways that is the greatest privatization success story, which has effectively repositioned itself as a profitable, consumer friendly, global airline. (Ibid)

Increased competition in the public and non-public sectors

Increased competition has affected almost every organization in the public sector. In the UK, universities are a case in point. The past decade has witnessed the rapid expansion of “new” universities. Although this trend has allowed a greater number of students to read for degree, it has also resulted in greater competition among universities. Since the principal way universities compete is through its images and reputations, identity management is of great strategic importance. (Ibid)

Increased competition in the service sector

In comparable fashion, service industries where competition has clearly increased in recent years are coming to understand the strategic importance of corporate image and reputation. (Ibid)

Globalization and the establishment of free trade areas

A pervasive image and good reputation can be a powerful competitive weapon for a company expanding internationally. Coca-Cola and McDonald’s are good examples of companies that have been able to expand throughout the world more easily than lesser-known companies because of its high profile, positive identities. On a more limited scale, the advent of a single European Market has provided the potential for companies to grow and gain market share by positioning themselves as European throughout the trade zone. The Dutch banking group ING and the Belgian bank Fortis are examples of this trend. Taking advantage of the above opportunities does, however, require a significant investment in developing and communicating a new regional and/or global identity. (Ibid)

Mergers, acquisition and divestitures

Still another trend is the continuing high level of mergers, acquisitions and divestitures, which has radically changed the business profile of several companies. A recent example in the oil industry is the creation of a “monster” with the merger of BP and Amoco. Usually, a significant outcome of these moves is a major gap between a company’s public image and its true identity. Such incongruence can confuse financial markets as well as customers, resulting in diminished support for the company from one or both sources. (Ibid)
Shortage of high-caliber personnel

Today’s knowledge within companies, the key to staying competitive is the ability to attract and retain skilled and motivated employees. A favorable reputation can play a important role in achieving this, because the company’s reputation provides a certain psychological income to the individual. To a great extent, this explains why highly reputed organizations such as the BBC, Merek and Harvard University have a little trouble attracting and retaining top-notch employees. In addition high competence personnel can play a prominent role both formally and informally in communicating the company’s identity to the outside world. (Ibid)

Public expectations for corporate social responsiveness

Another trend is society’s growing demand for high levels of corporate social responsiveness. There is clear evidence that a rising number of consumers are anxious about the social performance of business companies. Surveys in both North America and Western Europe show that many consumers not only are concerned about the impact that commercial producers have on the environment, but also are willing to pay extra for environmentally benign products. Entrepreneurs have been quick to respond to this trend. Consider such well-known adolescent companies for example, the Body Shop, have built its core strategy around projecting a socially and environmentally responsible image. Moreover, many older and larger companies awakening to public expectations, are obsessively trying to protect socially responsible identities through programs ranging from ethical investment policies, and using environmentally harmless packaging, to providing inner city schools with computers, and creating and maintaining bird sanctuaries. (Ibid)

Breakdown of the boundaries between the internal and external aspects of organizations

Finally, the once inflexible limitation between internal and external aspects of companies is beginning to fall apart. Many companies view relationships with suppliers, consultants, and franchise partners as well as joint-venture partners as important dimensions of its “reason to be”. The creation of alliances in the airline industry such as, “Star Alliance” and “the One World Alliance” is indicative of this. It is, quite clearly, a two-way process since such an alliance itself may be seen as a new form of identity vis-à-vis its competition. Another case is the common rebranding and corporate communications exercise for Hilton brand being owned by Hilton Hotels in the USA and by Ladbrokes Ltd in the UK and the rest of the world. (Ibid)

Stakeholders

Balmer (2002) states that the company’s stakeholders are varied, and many people will belong to several stakeholder groups. Many transcend the traditional internal/external corporate boundaries. The number, type and mix of stakeholder groups with which an entity is concerned will vary and also the importance of these. Effective corporate
identity management implies that these publics are prioritized. It is of importance that their expectations are understood.

Dowling (2001) argue that the corporate image is a set of beliefs and feelings about an organization. Different stakeholders form different corporate images and reputations. There are different sets of factors that drive the images that each group forms. Each person will have a slightly different evaluation of an organization; therefore in order to be more manageable they should be clustered into groups who are likely to hold similar evaluations of the organization, dissimilar from those of other groups. These groups are the ones called stakeholders (Dowling 2001). According to Balmer (1998) there may be important differences between the perceptions of individual stakeholders and between different stakeholders. The stakeholder groups consist of individuals, customers, distributors and retailers, suppliers, joint-venture partners, financial institutions, shareholders, government and regulatory agencies, social action organizations, general public and employees (Balmer and Gray 2000).

Dowling (2001) claims that there is often not a common understanding and agreement among managers and employees about; what beliefs and emotions to use to describe the organization, and how an ideal organization in the industry is characterized by each stakeholder group.

People have different experiences, needs and wants; therefore see things slightly differently from other people around them. The high amount of individual diversity causes the problem that there is no single, sensible description of the organization’s image and reputation, and segmentation is needed. (Ibid)

Managers should, in both consumer and industrial markets, use the benefits and/or solutions to problems desired by their customer as the basis for segmenting their markets. In the literature this is often referred as needs or benefit or value segmentation. So it is important that a person’s needs and values will shape the benefits that person wants from an organization, or the problems the organization may help that person to solve. When there is mutual benefit to be gained, then the person and the organization can exchange something of value. (Ibid)

As time goes by the exchanges a person has with a company will result in the formation of different types of relationship with the company. The type of desired relationship a company has with its stakeholders is important because it can have a big impact on the beliefs and feelings (i.e. images) people hold of the company, and of the fit between these and the free-standing values of the person (and thus their reputation). The different functional relationships people have with an organization will also influence the amount and types of information they want about its activities. (Ibid)

It is important that managers need to understand which groups of stakeholders are important to the company, what type of relationship they have with it, and how these relationships affect their beliefs and feelings about the company. (Ibid)
Dowling (2001) claims that stakeholders are linked to an organization in different ways, mostly because the different stakeholders have different needs that the company can help fulfill, or the corporate may be under their supervision. Furthermore the author states that some of these linkages will be much more important to operational success than others. In order to define which groups will be most significant to a company, we will take help of figure 2.3, which you can find here below.

![Figure 2.3: Stakeholder groups](image)

As one can see in figure 2.3 four groups, which are normative, functional, diffused and customers groups. Normative groups are authorities that provide sets of general rules and regulations under which a company functions and carries on with its activities. These groups do not always have a direct link with the company, while some are a part of the company as for example the activities of the board of directors, which influences and/or decides some of the activities a company does. The next group, functional groups, affects directly many of the day-to-day activities of a company. These are often the most visible groups of stakeholders since they facilitate operations and serve customers. Examples of these groups are customers, suppliers, distributors, retailers and service providers. The good reputation of one of these groups can sometimes improve the company’s own reputation. Employees are by far the most important of these functional groups. Diffused groups are a particular type of stakeholders, which take an interest in an organization when they are concerned about protecting the rights of other people. Most often the most important of these functional groups are journalists, because it is well known that they have an impact on shaping the public agenda when publicizing specific issues. Poor handling of journalists can have bad consequences as for example a degradation of the images and
often the reputations, which people hold of the organization. Customers are an extremely important set of stakeholder groups. The reason why customers form their own groups is because as said earlier different types of customers will want different set of benefits and/or solutions to their problems from a company. If the different types of customers are served distinctly then they are likely to have different images and reputations of the company. (Dowling, 2001)

With the four broad types of stakeholders mentioned it is easier to identify particular groups of people whose functional emotional relationships with the company may cause them to form different images and/or reputations of it. (Ibid)

If an organization has different groups of stakeholders who make different demands on management there is always a risk for conflict between their demands. An important question is which of these groups should be the more dominant one, but most importantly is to achieve harmony among the competing interests of stakeholders. Although employees and customers are often the two most important stakeholders groups it is important that the other groups are not ignored. It is also important to understand how to stimulate favorable word-of-mouth communication among stakeholders. Nowadays companies have to explain their value to a wide range of stakeholder groups, where a win-win situation in the relationship with the company must be communicated. Two important questions arise from all said earlier; what resources and support does a company need from their stakeholders and what does the company need to give them in return. (Ibid)

It is important to remember that image exists in the mind of each stakeholder and cannot be managed directly. The only way to influence the images held of their company is by the management of the corporate identity. (Ibid)

Reputations

There are a lot of different reputations that requires consideration by any company. In addition to knowing the overall corporate reputation, notice should also be taken of the reputations of the CEO, key members of the management board, and the industry in which the organization operates. When a firm uses a corporate brand for all or parts of its markets, then the reputation of that corporate brand also needs to be considered. (Balmer, 2002) Reputation may act as a control device both internally and externally. If there is a positive reputation, in some circumstances this will act as a control mechanism within the organization and act as a standard by which decision, actions, communications and behavior are evaluated. The question managers and personnel would ask themselves in this case is if the decision/action will undermine their reputation. A favorable reputation, while it may be of inestimable value, should not be considered as an end in itself. On its own, it is no guarantee of business survival and profitability, because changes in consumer tastes and changes in the business environment, as well as poor management, can result in company’s with a great reputation experiencing decline and in worst case its end. (Balmer, 1998)
3. Conceptualization and Emerged Frame of Reference

In this chapter the issues that are going to be studied will be explained. First the conceptualization will be presented and then the emerged frame of reference developed from the research questions will be shown.

3.1 Conceptualization

The conceptual framework will be presented here. Based on the literature review in chapter two, a conceptualization of a number of studies will be used when designing the interview guide and gathering data. To be able to collect relevant data to the research questions and then compare them with the chosen theories, a few studies have been chosen that this research will rely on and in specific, which concepts that data will be collected upon. “The conceptual framework explains, either graphically or in narrative form, the main things to be studied.” (Miles and Huberman, 1994, p. 18). Since several theories within the same theoretical area have been studied in this thesis, a selection of the ones that match the research questions and the purpose in the most appropriate manner have been chosen.

The conceptualization will serve as a base for the interview guide, which will be used to collect data. The interview guide follows the same order and includes the same parts as this section, and can be found as Appendix A at the end of the study.

The conceptual framework is based on the literature review to make is easier to collect empirical data and to investigate research problem.

3.1.1 How can the objectives of managing a corporate identity be described?

Regarding the objectives with corporate identity management, we will look at the major objectives and the benefits these gives as suggested by various authors brought up in the literature review in the previous chapter with the objectives and benefits suggested by Balmer and Wilson (1998) as a base. The benefits are brought up because they give an explanation to why companies want to accomplish the objectives and as a result of that objectives and benefits are tied into each other. Other authors who also are brought up are those that support or complement the objectives and benefits mentioned by Balmer and Wilson (1998). These authors are Balmer (1995), Balmer (1998), Balmer and van Riel (1997), Christensen and Askegaard (2001) and Rowden (2000). How the previous research provided by these authors fit into Balmer and Wilson’s (1998) reasoning is shown in the so-called eclectic list below. In an eclectic list, several researchers share the investigated factors.

Objectives of managing the corporate identity

- **Favorable corporate image** (Balmer, 1998, Balmer and van Riel, 1997, Balmer and Wilson, 1998)

Benefits of managing the corporate identity

- **Products and services**
  - Willing to use company’s products/services, added value to products, consumer confidence and loyalty (Balmer, 1995, Balmer and van Riel, 1997, Balmer and Wilson, 1998, Christensen and Askegaard, 2001)
- **Trade**
  - Industrial customers are willing to trade with the company (Balmer and Wilson, 1998)
- **Stocks**
  - Shareholders are more willing to buy stocks in the company (Balmer and Wilson, 1998, Christensen and Askegaard, 2001)
- **Personnel**
  - Potential employees are willing to work for the company, attract tip top personnel, motivation and guides the personnel in accordance with the company’s ambition (Balmer, 1995, Balmer and van Riel, 1997, Balmer and Wilson, 1998, Christensen and Askegaard, 2001, Rowden, 2000)
- **Legal framework**
  - Governments may be more willing to provide sympathetic legal framework (Balmer and Wilson, 1998)
- **Different**
  - Being seen to be different from other companies, make the company visible and protection from competitors (Balmer, 1995, Rowden, 2000)

3.1.2 How can the risks with a lack of corporate identity management be described?

Unfortunately few academic data about the risks have been found, but there are a couple of author’s who bring this factor up. Most of the theories mentioned regarding the research question two would serve as a base being that these are the only theories found regarding the research question. Rowden (2000) talks about an unsuitable identity. Markwick and Fill (1997) and Rowden (2000) bring up risks if the identity is not managed. Markwick and Fill (1997) and Kiriakidou and Millward (2000) highlight risks with a lack of consistency of the corporate identity. At last Balmer (1998) talks about the danger of having a favorable corporate image and an unfavorable corporate identity.

3.1.3 What must a company consider when managing a corporate identity?

As a mean to understand this research question, only two element of the corporate identity management mix suggested by Balmer (2002) will be investigated here due to time limitations and the subject being very broad. The reason for basing it on the mix suggested by Balmer is that the author’s research is very recent and is based on the many researches made by several authors including him. The elements to be researched are communication and stakeholders because, as Markwick and Fill (1997) stated, the
corporate communication is the process which translates the corporate identity into image and emphasizes the means that company’s uses to present itself to their stakeholders.

In order to find out how the international companies communicate its corporate identity, the study will use the principles developed by Balmer (1995 and 1998, and discussed by Balmer and Greyser, 2003) to reach a deeper understanding on how the international companies communicate its corporate identity. The reason for this selection is that they talk about the total corporate communication with three types of communication forms. The principles are:

- **Primary Communication** (Balmer, 1998, Balmer and Greyser, 2003)
  - Products and services
  - Market behavior
  - Behavior towards employees
  - Employees behavior to other stakeholders
  - Non-market behavior

- **Secondary Communication** (Balmer, 1995, Balmer and Greyser, 2003)
  - Formal, Corporate and Communications
  - Visual identification system

- **Tertiary Communication** (Balmer, 1995, Balmer and Greyser, 2003)
  - Word-of-mouth
  - Media interpretation and spin
  - Competitors-Communication and “spin”

In order to gain a wide understanding of stakeholders the literature of Dowling (2001) will serve as a base in accomplishing this, since he is the author that goes more in depth regarding stakeholders. Balmer (2002) and Balmer and Wilson (1998) will be used as a complement.

The complete list of factors will be presented below.

- Different stakeholders (Balmer, 2000, Balmer and Wilson, 1998, Dowling, 2001)
- Priority/dominant stakeholders (Dowling, 2001)
- Needs and wants of the stakeholders (Dowling, 2001)
- Different relationships with the different stakeholders (Dowling, 2001)
- Conflicts in interests between stakeholders (Dowling, 2001)
3.2 The Emerged Frame of Reference

The conceptualization presented above will allow for answering the study’s research questions. The frame of reference results from this conceptualization and will guide the study’s data collection. The emerged frame is graphically presented in figure 3.2.

![Figure 3.2: This study’s Emerged Frame of Reference](source)

The presented frame of reference shows that the corporate objective and benefits is a concept that acts as a starting point for communicating the corporate identity. The corporate communication is the heart of an organization’s corporate identity management. In order to manage the corporate identity an organization has to communicate it in a way so it reflects its desired corporate identity. The corporate communication serves as a mean to achieve a certain desired corporate image among stakeholders, however the company must be aware which are their stakeholders and also to identify the most important in order to be effective with their communication. The emerged frame of reference is what will serve as a base when collecting data.
4. Methodology

The methodology chapter will present how we will collect and analyze data to find the answers on each of our research questions. The chapter begins with the purpose of the research, then further on to research approach and research strategy. Additionally, a presentation of how the data collection was carried out and how the sampling was conducted follows. Finally, a discussion of the validity and reliability problems of this study will be presented. Figure 4.1 shows the headings brought up in this chapter and gives an overview of how these fit together.

Figure 4.1: An overview of the methodology chapter
Source: Adapted by the authors from Foster (1998), p. 81

4.1 Research purpose

Eriksson & Wiedersheim-Paul, (1998) agree with Yin (1994) who states that there are different ways of approaching the research purpose, these are.

- **Explorative**
- **Descriptive**
- **Explanatory**

*Explorative* research approach is particularly used when an increased understanding of a problem is needed. The goal with an exploratory research is to develop relevant proposition for further inquiries. (Yin, 1994) It is also appropriate with an exploratory research when important characteristics and relations are hard to determine (Eriksson & Wiedersheim-Paul, 1998).

The goal of a *descriptive* research is to develop empirical generalizations and explain these (Yin, 1994). Descriptive research seeks to determine the answers to “who”, “what”, “when”, “where”, and “how” questions (Zikmund, 2000). When an author wants to find out what aspects of a problem that are relevant and describe these aspects more thoroughly, a descriptive research method is suitable (Eriksson & Paul-Paul, 1998).
When there are studies that establish causal relationships between different variables, an *explanatory* research purpose is used. The purpose with this research is to prove or disapprove that a relation takes place or has a certain characteristic as well as finding correlation between causes. (Eriksson & Wiedersheim-Paul, 1998 and Yin, 1994)

The knowledge and ambitions within the research area decides which category a study belongs to (Wallen, 1996). The primary purpose of this thesis is to describe how an organization communicates its corporate identity, which makes it descriptive in the sense of describing the answers to our research questions that are of the character “how” and “what”. However, this thesis is to a lesser degree also exploratory, due to that this thesis aims to explore the research area in order to gain a deeper understanding. The explanatory research purpose will not be used, because the study is not made for establishing causal relationships between different variables.

### 4.2 Research Approach

According to Eriksson & Wiedersheim-Paul (1998) and Yin (1994) there are two kinds of research approaches, qualitative and quantitative. When developing theories, either an inductive or deductive approach can be used. (Ibid)

#### 4.2.1 Qualitative versus Quantitative Method

According to Eriksson & Wiedersheim-Paul, (1998) and Yin, (1994) there are two main methodological research approaches within social science, *qualitative* and *quantitative*. A *qualitative* research is used when the research deals with a smaller amount of material and when the research is based mainly on words. A qualitative approach enables the author to comprehensively understand a certain problem, and has a holistic view (Saunders *et al*., 2000). The purpose of a *quantitative* research is to express a better understanding of the material, and also to answer the questions “why” and “how” and see the connection between different variables. The quantitative method has the aim of describing and explaining a population with the focus to generalize. (Holme & Solvang, 1997)

Bearing in mind the discussion above concerning the purpose of the study and the research questions, the chosen approach for this thesis is a qualitative method. With a qualitative approach it is possible to gain a deeper understanding of the study.

### 4.3 Research Strategy

There are many different ways of conducting social science research. Eriksson & Wiedersheim-Paul (1998) and Yin (1994) talk about five major research strategies
Methodology

namely experiment, survey, archival, history and case study. According to Yin (1994) the strategy to use depends on three conditions:

- The type of research questions posed
- The extent of control an investigator has over actual behavioral events
- The degree of focus on contemporary as opposed to historical events

The three conditions mentioned can be related to the five major research strategies (Ibid).

Table 4.1 will show how Yin (1994) relates each condition to the research strategies.

<table>
<thead>
<tr>
<th>Research Strategy</th>
<th>Form of Research Question</th>
<th>Requires Control over Behavioral Events</th>
<th>Focuses on Contemporary Events</th>
</tr>
</thead>
<tbody>
<tr>
<td>Experiment</td>
<td>How, why</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Survey</td>
<td>Who, what, where, how many, how much</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Archival</td>
<td>Who, what, where, how man, how much</td>
<td>No</td>
<td>Yes/No</td>
</tr>
<tr>
<td>History</td>
<td>How, why</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Case Study</td>
<td>How, why</td>
<td>No</td>
<td>Yes</td>
</tr>
</tbody>
</table>

SOURCE: Yin, 1994 p. 6

According to Yin, (1994) when having “how” and “why” questions experiment, history, and case study are more suitable than survey and archival analysis that should be used when having “who”, “what”, “where”, “how many”, and “how much” questions. In the second condition, Yin, (1994) convey that if the control over behavioral events is an important issue, experiments should be used. Furthermore, Yin (1994) states that in the third condition, where the importance of contemporary events is of matter, experiments, survey, case studies, and to some extent also an archival can be used. When researching about contemporary events, histories are not suitable (Ibid).

Yin (1994) states that a case study can be either a single-case study or a multiple-case study. When making a single case study the investigators have no possibilities to make comparisons or generalize. Multiple case studies on the other hand give the researchers the opportunity to compare; however, less time can be spent on each case. A case study is used when investigating contemporary events and relevant behaviors cannot be manipulated (Yin, 1994). Using a case study as a research strategy means that the researchers investigate a few numbers of objects, like industries and companies, in many dimensions (Eriksson & Wiedersheim-Paul, 1998).

For this thesis it was found that that the most suitable research strategy was the multiple case study strategy. This is because the research questions posed in the end of chapter one were of “how” character and that the research questions provided the researchers with relatively many variables. A multiple case study was conducted since this would make the findings more robust and it would also make it possible to detect possible similarities
and/or differences. In addition, the intention was to investigate a limited number of cases in different dimensions, this in order to receive as detailed and in-depth information as possible from each case regarding our area of research. It has now been stated that this research is a multiple case study, which takes this thesis to the next step, the data collection.

4.4 Data Collection Method

Eriksson & Wiedersheim-Paul, (1998) and Yin, (1994) bring up two ways of collecting data: primary and secondary data. Primary data are collected for a specific research in response to a specific problem, where the secondary data has already been collected for another purpose. For this study we have used both primary and secondary data. Primary data was collected through a telephone interview. The secondary data was collected from literature, academic articles, and the companies’ homepage on the Internet.

Yin (1994) brings up six different sources of evidence that can be used when collecting data for case studies. On the next page, the strengths and weaknesses of these sources of evidence can be found in table 4.2.

Archival records are mostly used for quantitative studies and since this study is qualitative it will not be used as a source of evidence. Direct observations and participant observations are also eliminated as a source of evidence because of the time limitation and financial resources. Furthermore, there is no need to look at the cultural features or the technical operations and we therefore chose not to use physical artifacts as a source of evidence. This leaves us to the two last sources of evidence that have not been brought up yet, which are interviews and documentation.

Documentation involves for example letters, articles, and formal studies (Eriksson & Wiederheim-Paul, 1998; Yin, 1994). Documentary information according to Yin (1994) is likely to be relevant in every case study. Furthermore, according to the author documents can take many forms, such as administrative documents involving for example progress reports and other internal documents. For documentation we have mainly used web sites and written material about the companies so we can get a clearer picture of their business activities.
Table 4.2: Table of Six Sources of Evidence: Strengths and Weaknesses

<table>
<thead>
<tr>
<th>Source of Evidence</th>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Documentation</td>
<td>• Stable: can be reviewed repeatedly.</td>
<td>• Retrievability: can be low</td>
</tr>
<tr>
<td></td>
<td>• Unobtrusive: not created as result of the case.</td>
<td>• Biased selectivity: if collection is incomplete.</td>
</tr>
<tr>
<td></td>
<td>• Exact: contains exact names, references, and details of an event.</td>
<td>• Reporting bias: reflects (unknown) bias of author.</td>
</tr>
<tr>
<td></td>
<td>• Broad coverage: long span of time, many events, and many settings.</td>
<td>• Access: may be deliberately blocked.</td>
</tr>
<tr>
<td>Archival Records</td>
<td>• (Same as above for documentation).</td>
<td>• (Same as above for documentation).</td>
</tr>
<tr>
<td></td>
<td>• Precise and quantitative.</td>
<td>• Accessibility due to privacy reasons.</td>
</tr>
<tr>
<td>Interviews</td>
<td>• Targeted: focuses directly on case study topic.</td>
<td>• Bias due to poorly constructed questionnaires.</td>
</tr>
<tr>
<td></td>
<td>• Insightful: provides perceived casual inferences.</td>
<td>• Response bias.</td>
</tr>
<tr>
<td></td>
<td>• Inaccuracies due to poor recall.</td>
<td>• Reflexivity: interviewee gives what interviewer want to hear.</td>
</tr>
<tr>
<td>Direct Observations</td>
<td>• Reality: covers events in real time.</td>
<td>• Time consuming</td>
</tr>
<tr>
<td></td>
<td>• Contextual: covers context of event.</td>
<td>• Selectivity: unless broad coverage.</td>
</tr>
<tr>
<td></td>
<td>• Selectivity: unless broad coverage.</td>
<td>• Reflexivity: event may proceed differently because it is being observed.</td>
</tr>
<tr>
<td>Participant</td>
<td>• (Same as for direct observations).</td>
<td>• Cost: hours needed by human observers.</td>
</tr>
<tr>
<td>Observation</td>
<td>• Insightful into interpersonal behavior and motives.</td>
<td></td>
</tr>
<tr>
<td>Physical Artifacts</td>
<td>• Insightful into cultural features.</td>
<td>• (Same as for direct observations).</td>
</tr>
<tr>
<td></td>
<td>• Insightful into technical operations</td>
<td>• Bias due to investigator’s manipulation of events.</td>
</tr>
<tr>
<td></td>
<td>• Selectivity: unless broad coverage.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Availability.</td>
<td></td>
</tr>
</tbody>
</table>

SOURCE: Yin, 1994, p. 80

Interviews are the most important source of case studies according to Yin (1994). He further clarifies that aspects with the interview are that it is “targeted” because it concentrates directly on the case study topic, which is how a company communicates its corporate identity within an international organization. An interview is a conversation, which gives the possibility to actively participate in the interview. Interviews can take three different forms: (ibid).

- Open-end interviews
- Focused interviews
- Structured interviews
Yin (1994) describes that in an open-ended interview the key respondents are asked for facts as well as for their options. The focused interview is also performed in a conversational manner but follows a set of questions derived from the case study protocol. This type of interview takes only short time compared to the first one. The structured interview is best suited for survey and this type of interview follows a structured questionnaire. We conducted focused interviews since we had a certain set of questions that needed to be answered in order to obtain data related to our research questions, but the interviews also had to be open-ended to some extent in order to preserve flexibility in the interview.

According to Wiederheim-Paul & Eriksson (1998) in an interview, there is an interaction between the interviewer and the respondent. The interaction is either in person or by telephone. The author’s also mention two different kinds of interviews: personal and telephone. Advantages with personal interviews over telephone interviews are that personal interviews enable the interviewer to establish confidence with the interviewees, and more complicated questions can be asked. The advantages with telephone interviews over personal interviews are that they are cheaper and easier to arrange (ibid).

When collecting data for this research, we made two telephone interviews, because of the high cost and time consumption involved with personal interviews, since the respondents were located in Stockholm and Helsingborg. Interviews are suitable when in-depth information is desired, which was the main purpose of this research (Holme & Solvang, 1991). We believe that the questions in this research could be answered properly by telephone interviews.

4.5 Sample Selection

Earlier in this chapter we have stated that the intention of this study is to gain a deeper understanding of how an international organization manages its corporate identity. By having read previous studies connected to our thesis, we started to think about firms that could be suitable to have as a case study. We approached some companies that we found suitable for our study and finally decided on IKEA and Electrolux. These companies were suitable because they are Swedish multinational companies that seem to spend a lot of resources on their brand and image, and therefore one could also assume that their corporate identity is of great importance to them. Since the companies are Swedish it will also facilitate the access to a respondent who will be able to answer our questions.

According to Holme and Solvang (1997), selection of respondents is crucial. If the wrong respondent is interviewed, the research may turn out to be invalid or insignificant (Ibid). In order to fulfill our purpose, it was very important that we reached the person who possessed accurate knowledge when dealing with the corporate identity and how it is communicated. We called the companies and asked for the person who could answer our questions and we were referred to the person that they thought was the most suitable person to answer our questions.
4.6 Data Analysis

According to Yin, (1994) data analysis implies examining, categorizing, tabulating or otherwise recommending the collected data. Every investigation should involve a general analytical strategy in order to come in terms with what to analyze and why. Further, the main goal is to treat the evidence fairly, to produce compelling analytic conclusions and to rule out alternative interpretations. (Ibid)

Yin (1994) states that the researcher must choose between two general analytic strategies. The most preferred strategy is to rely on theoretical propositions. The purpose of this strategy is that the researcher derives the research questions from the studies conducted earlier and after that the previous studies are compared. This implies that the focus can be on relevant data and ignore irrelevant data. Case description is the second strategy. This strategy is seen as an alternative when there is little previous research conducted in the area of research. (Ibid) The first strategy will be used for this thesis as there are previous studies conducted on the subject and the focus can therefore be on the relevant data.

As stated earlier, when analyzing the collected data the intention is to find answers to the research questions. Miles and Huberman, (1994) states that a qualitative data analysis focuses on data in the form of words, and that the analysis consists of three simultaneously different activities, namely:

1. **Data reduction**: The process of when data is focused, selected, abstracted, simplified and transformed. The purpose is for the data to be organized so the final conclusion can be verified and drawn.

2. **Data display**: To take the reduced data and display it in an organized and compressed way to be able to draw the conclusions more easily.

3. **Conclusion drawing and verification**: The stage where the researcher comments and begins to explain what things mean. Noting regulations, patterns, explanations, possible configurations, casual flows, and propositions makes this. Moreover, they also add that the component researcher should hold such comments and explanations lightly, while maintaining both openness and a degree of skepticism. (Miles & Huberman, 1994)

The study is relying on Miles and Huberman’s (1994) three steps. In purpose to reduce the data, a within-case analysis was conducted. This within-case analysis was done through comparing the empirical findings with literature brought up in the conceptualization. Thereafter, the reduced data was displayed through a cross-case analysis. The cross-case analysis was conducted through comparing the results from the two companies to each other. After the data was analyzed, the research questions were answered and conclusions from the research were drawn.
4.7 Quality Standards: Validity and Reliability

When conducting scientific research there are two issues that are important, which are validity and reliability, two important instruments for measurement that have to be considered to increase the trust of the research, (Eriksson & Wiedersheim-Paul, 1998). According to Yin (1994) it is very important to judge the quality of the conducted research and therefore proposes four commonly used tests when establishing the quality standard of a research. These tests are called construct validity, internal validity, external validity and reliability. Table 4.4 below displays the tactics that can be practical for handling the four tests to increase quality standards when conducting case study research.

Table 4.4: Case Study Tactics for Four Design Tests

<table>
<thead>
<tr>
<th>Tests</th>
<th>Case Study Tactic</th>
<th>Phases of Research in Which Tactic Occurs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Construct Validity</strong></td>
<td>• Use multiple sources of evidence.</td>
<td>Data collection</td>
</tr>
<tr>
<td></td>
<td>• Establish chain of evidence.</td>
<td>Data collection</td>
</tr>
<tr>
<td></td>
<td>• Have key informants review draft case study report.</td>
<td>Composition</td>
</tr>
<tr>
<td><strong>Internal Validity</strong></td>
<td>• Do pattern matching</td>
<td>Data analysis</td>
</tr>
<tr>
<td></td>
<td>• Do explanation-building</td>
<td>Data analysis</td>
</tr>
<tr>
<td></td>
<td>• Do time-series analysis</td>
<td>Data analysis</td>
</tr>
<tr>
<td><strong>External Validity</strong></td>
<td>• Use replication logic in multiple-case analysis</td>
<td>Research design</td>
</tr>
<tr>
<td><strong>Reliability</strong></td>
<td>• Use case study protocol</td>
<td>Data collection</td>
</tr>
<tr>
<td></td>
<td>• Develop case study data base</td>
<td>Data collection</td>
</tr>
</tbody>
</table>

**SOURCE:** Yin, 1994 p. 33

Yin (1994) states that there is three tactics to increase construct validity; by the use of multiple sources of evidence, establish a chain of evidence, or have key informants review the drafts case study report. To increase the construct validity of this study as much as possible, we have collected evidence from multiple sources as we used interviews and documents as sources of evidence. However, the documentation is only complementary to the interviews and the data collected through documentation is not included in the analysis. To establish a chain of evidence we have throughout this research made citations to all the sources from where evidence have been collected. Our draft report has also been reviewed by our supervisor as well as by fellow academic students. Furthermore, after having designed the interview guide, we had it approved by our supervisor before conducting the interviews on our sample. A tape recorder was also used during the interviews that enabled the researcher to double check that the respondents had relevant answers in regard to the actual question. This provided us also with the opportunity to double-check our answers and made us sure that we did not miss any important information. The fact that the interview guide was sent to the respondents before the interview can both lower and raise the construct validity of the study. The validity is raised because it gave the respondents time to prepare for the interview, but it
can also be lowered as the respondent was provided with the opportunity to prepare and thereby bias the answers. Several attendant questions were asked as a mean to receive correct answers.

Internal validity is only of concern for explanatory studies by investigating causal relationships (Yin, 1994). This is not relevant for the study since it is descriptive and exploratory and will therefore not be used. According to Yin (1994) the external validity concerns to what extent a study’s findings can be generalized. A good base for generalizing is a multiple case study. In order to try to increase the external validity a multiple case study of two cases was done.

Yin (1994) states that with a high reliability another researcher can repeat the exact same procedure and research, and thereby arrive at the same findings and conclusions over again. The procedures of our research in this thesis have carefully been explained, in order to increase the reliability. Furthermore, we have followed a structured approach in this thesis since every chapter is based on the previous one. The interview guide was designed to reduce the risks of influencing the respondent in any way. However, when interpreting the answers some personal biases may, to some extent, have influenced the reliability negatively. The outcome of the study could have been affected of our and the respondent’s attitudes, values and knowledge. The interview were conducted in Swedish and then translated into English, which could contribute with a negative affect on the reliability.
5. Data presentation

In this chapter the information from the primary data collection will be presented. Our interviewees have different positions within the companies that were studied. These companies are IKEA and Electrolux. The first respondent, Eva Stål, is information and Public Relations (PR) manager in IKEA and the second respondent Mats Ronne, is vice president for brand management in Electrolux.

5.1 Case one – IKEA Swedish Sales AB

Company Background

IKEA was found when Sweden became an example on a society where you cared about one another, where rich and poor where taken care of. This is a theme that suits IKEA’s vision. To give people a better weekday, IKEA request the customer to cooperate. The line of product is suitable for children and fulfills a family’s needs, young like old. Together they can create a better weekday for all (www.ikea.se).

The concept of IKEA was shaped in Småland where also the founder of IKEA was born. Småland is a part of the south of Sweden where the ground is bad and poor. People are known for working hard and making it on small accounts, they exert themselves so that they can in the best possible way use the limited resources they have. This way of a carrying through with things is the very essence in IKEA’s way of thinking (Ibid).

Many people associate Sweden with a sound and healthy living style. Fresh air reflects in the colors and materials that are used and creates a feeling of space: light sorts of wood, natural textiles and untreated surfaces. In a climate where it is cold and dark during most of the time of the year, this light and happy house areas contributes to a feeling of sunlight indoors all year around (Ibid).

The end of 1900 century the painters Carl and Karin Larsson combined classic influences with the warm Swedish folklore style. They created a model of the Swedish home interior decoration style that today has reached to a world rumor. In the 1950’s, modernism and functionalism developed as style genre in the same time as Sweden was building a society based on social equality. IKEA’s assortment – modern but not trendy, functional but still attractive, human and suitable for children – fulfills these Swedish home interior traditions (Ibid).

Respondent Background

The respondent Eva Stål works in information and PR within IKEA Swedish Sales AB, it is a sales organization that handles the thirteen stores that are in Sweden. The respondent is responsible for the press. She has worked eighteen years in IKEA, but only six months
in the current position. Earlier the respondent has worked in the customer service and sales.

5.1.1 How can the objectives of managing a corporate identity be described?

According to the respondent the company’s identity is, as IKEA, built on a vision, “we shall create a better everyday life”. This vision is something that all employees in the company strive towards. In order to achieve this vision IKEA has a business concept, “we shall offer a wide range of well designed, functional home furnishing products at prices so low that as many people as possible will be able to afford them”. These are the big concepts that are used in order to run IKEA worldwide. Furthermore the respondent says that IKEA has existed for 60 years and this vision has been there as well, not exactly like it was from the start, but as IKEA has been developed there has also been a need to rewrite the goal and strategy. The business concept has developed during the course of time. Ingvar Kamprad, the founder of IKEA, wrote a document in 1976 about how they should manage it. The document is called “a furniture-retailer’s testament”. Ingvar describes in the document how to create a better everyday life to the different people. It describes nine different theses:

1. The assortment, our identity
2. The IKEA spirit, a strong and living reality
3. Profit gives resources
4. With small mediums attain good results
5. Simplicity is a virtue
6. A different way
7. Strength-gathering important for our success
8. To take responsibility, an advantage
9. The most is undone under the near future

This document is present in all recruitments and when new employees come to IKEA it is one of the first documents, written on one simple page, that they come across. As IKEA has grown, there is an incredible need to communicate the company’s business concept. There can be different interpretations when every employee reads it on its own, because of this it is very important that the business concept also is a part of its context in the company, both internally and externally. Part two which is called “Oden” goes deeper into this. It consists of:

- Humility
- Will-power
- Simplicity
- The many people (who they are)
- Cunning, economical solutions (from the culture of Småland which is important for Ingvar)
- A different way, which is concerned with thinking different and in new paths
- Not give up
- Risk or fear of making mistakes, you are allowed to make mistakes but one must learn not to make the same mistake or doing it more right the next time
- Status, IKEA, awareness of costs
- Bureaucracy
- Honest
- Common sense
- The will to give and take responsibility
- The strive to measure the reality
- Solidarity and enthusiasm

The chapter of “Oden” has become a way to clarify and maybe somewhat control what is really meant with the theses; it is like an evolution through time. The material is alive so therefore it is up to the employees that they can translate it to words and actions. This is what happens when people are employed somewhere in IKEA. Much of this concerns the stores role, which is the meeting with the customer that first comes to the mind amongst other things, except for the whole chain i.e. product development, purchasing, distribution and retailer.

The goal with IKEA’s company identity is to create a positive image with the consumers; a positive image is everything that is controlled trough the things mentioned earlier, honest IKEA, righteous, no complexity and instead a lot of openness as they gladly inform of how they carry out their work. The goal is that the customers will have an image of IKEA that is so close as possible to the reality as described by IKEA.

The respondent says that IKEA has a great position in the Swedish market, almost all Swedes know about IKEA. 80 to 90 percent of the Swedish population has bought something from IKEA sometime, according to the surveys that have been conducted. That means IKEA has a strong position on the national market.

The strong corporate identity has as a goal to create a strong identity of what IKEA is and stands for in the customers’ mind and also create a strong reputation on the long run. The benefit with a strong corporate identity is encouraging the customers to a stronger buying behavior and loyalty, according to the respondent.

5.1.2 How can the risks with a lack of corporate identity management be described?

When it comes to establishing IKEA in a foreign market a lack of a clear identity should not happen. The guarantee for this is the manuals and the recruitment of the right people in the right places, the right training and to expatriate the adequate people to the foreign markets. The risks the company takes are that the employees cannot handle IKEA even with the framework that they take with them when a new establishment is taking place. They have also legal resources in the form of lawyers that tries to make sure that the company behaves correctly. One of the things that IKEA do to minimize the risk of a lacking corporate identity is to adopt the manuals for all kinds of actions the company want to take. A good example is the IKEA logo, which has a manual that describes for
example how the logo should be handled. The company has chosen to only have two logos and two trademarks, and not to be in all different shapes, but there can be difference in the colors of them. The biggest risk with an inappropriate identity is that the company will fail with its communication, for example that they get a bad grade in the survey IKEA do for different campaigns and marketing events, which could be that no one has understood what IKEA wants to communicate and do not go into peoples mind. The respondent claims that in case this would happen IKEA it would quickly notice it by the survey the company conduct, and hopefully give them the opportunity to recover from the damage it could have caused.

5.1.3 What must a company consider when managing a corporate identity?

The primary targets for IKEA are the families with children and young households, especially young households with or without children. The corporate identity turns primary towards the targeted customers. In their line of business it is the customer that are the most important, even secondly most important (families with children and even families where the children have moved). The only target market that they have not thought about that much are the senior citizens, but IKEA is to all those who are young at heart.

The surveys IKEA do are done on a three-year basis on all market areas all around their stores, which is done through a random system where people are called up and asked to participate in an interview through a questionnaire. This gives the company information about the people living in the trading areas that are the market areas that are randomly selected. Then there is another survey called Customer Service Index, which it is done every sixth month in the store. After passing the cash register, the customer dedicates 10 to 15 minutes, where they receive a computer with 40 to 50 questions about the experience that the customer has recently had from the IKEA store. This is a very good tool to get a picture of how good IKEA is, according to the respondent. The first visit has a big influence on the expectations for the next visit that is one of the reasons why IKEA is conducting the Customer Service Index. This tool gives the stores managers and the management the possibility to see where IKEA’s bottlenecks are and what the company could improve. Every sixth month a new picture is received and gives the opportunity to react until the next result comes along. With the new technology IKEA gets fast results and the data does not have time to become out of date, since within a week they have a good picture of the situation, this goes for all the IKEA stores in the world. The management also gets a good feeling of how the situation is right now and can compare the stores of each country with the other IKEA stores and find the best and worst IKEA stores worldwide. It is all about the gathering of information that is transformed into knowledge and then the company is able to have a chance to react from it and improve the corporate identity, according to the respondent.

Furthermore, a great part of the corporate identity involves the marketing mix. The assortment and low prices, stores, catalogues, IKEA family Club and other advertising events together with the final step, which is the interactions with the customer and all this is what IKEA’s marketing mix consists of.
According to the respondent, on a day-to-day basis IKEA has boxes around the stores where customers can leave a personal note with both good and bad comments about the company and also give suggestions. Those customers that show their interests by leaving a note with their names and e-mail address are later contacted by IKEA i.e. through receiving a Christmas card from IKEA for have cared and been able to influence the company. This one of the things that makes IKEA feel that they have a good dialogue with their customers. There are some external studies that are done for example "Ekonomernas" own study in the fall of year 2003 of how attractive different potential employers were, IKEA was on top in that study. Another study done was for academics that are or want to be managers and already have a job, in that study they also came in first place. So the company is highly ranked by those that are on their way of getting a job and those that already have job. There are other studies as for example the Best employer, Confidence index, where there was a request that Ingvar would sit in a committee for ethics and moral in the trade industry. The respondent says that they have a good and positive reputation in Sweden.

The respondent says that the reason for customers being the most important stakeholders is that IKEA is not a company that is listed on the stock exchange, so they do not have the need to talk to shareholders, owners and so on. Therefore, IKEA do not have the need to let people have insight into the company and can chose to shut the door and do not tell anything about the company to the external people, which they do because of the competition. There are many things they do not talk about. This can be regarded as they being a closed company, but this is only done for the matter of competition, as simple as that. Other companies may be more open, although IKEA tries to be an open company but it is important for them to keep some information for themselves.

There is another department that is called Work IKEA, which sells to small, and medium sized companies, everything from one-man companies to companies that have up to 200 employees. The corporate identity turns to these as well but to a much lesser degree, but they do through catalogues and most of the consumers have a work where they may want to have IKEA furniture as they have in their homes. The products for these stakeholders are a little different in order to better fulfill the needs they have.

IKEA stand for a lot of trade, they buy a lot and it is a buying oriented company. If a supplier cannot produce to the price and quality that IKEA wants, then the company finds a new supplier. It is hard to do IKEA to what it is, but everything they do must benefit the customer. Of all their products a maximum of two to three percent is produced in their own factories. The company has the attitude that trade helps to develop many countries and IKEA is presented in many low price countries. Therefore the suppliers are also important stakeholders. Other important stakeholders for the company are everything that has to do with the environment and social issues. IKEA cooperates with one of the largest organization in the world as the United Nations Children's Fund (UNICEF) and even locally organizations in different countries. For example Barnens Rätt I Samhället (BRIS) in Sweden, which IKEA consider to have an important activity therefore are they giving BRIS sponsorship. According to the respondent they work very well regarding the issue of child labour and try to influence so the children can go to school instead of working.
and the safety regarding the working conditions since there are many dangerous risks in
the production of products, specially in developing countries. The Non-governmental
organizations (NGO) are also an important stakeholder for IKEA; they deal with social
and environmental issues like Greenpeace and the World Wildlife Fund. IKEA always
has these organizations on their side when they are working, mostly when it comes to
business that is abroad. Soon a folder will be released by IKEA where an organization for
example Greenpeace, who will talk about IKEA’s work from their point of view and one
of IKEA’s employees will talk about how far they have reached in the development of
social and environmental issues.

They have around 16 000 suppliers and they are therefore also an important stakeholder
for IKEA. Furthermore the respondent also mentions that a lot is up to the employees to
handle when it comes to all the activities in the (stores) company so therefore the
respondent thinks that the employees are probably the next most important stakeholders.
In IKEA there are 76 000 workers worldwide and 4 500 in Sweden. IKEA would not be
anything if the people did not exist; it is the human hand that makes the company to what
it is today. When a customer has been in a store and is later asked to say how the visit to
IKEA was, it is very likely that the customer will have a face as a reference i.e. a
salesperson or someone who has given some information concerning something the
customer wanted to buy or help with. The employees that the customer meets become the
image of IKEA to the customer. Through the human contacts and the meetings with the
customers led to the question of how the meeting with the customers should be, therefore
it is also important for the employees to know how to interact with the customers. The
respondent says that it is a hard work to make IKEA to be IKEA and it is also the people
in the stores that completes and makes IKEA to what it is.

The IKEA Group owns 165 stores all over the world. Then there are around 20 stores that
correspond to external franchises, where IKEA has chosen to take in a partner. This has
been made in countries where IKEA did not have plans to establish themselves in but
were there was a demand by interested parties in order to open IKEA stores. In these
countries only one to two stores have been opened. These stores have the same manuals
and everything is almost the same with some differences. In thought of the corporate
identity IKEA does not turn towards these potential partners, they are just something that
happen because the partners sees an interest in that particular country.

IKEA knows what the customers want because they tell the company what their
expectations, demands and needs are. The suppliers also let IKEA know what
expectations, demands and needs they have. IKEA has developed a figure in order to take
better care of the good relationships with their suppliers. When it comes to different types
of international organizations it is very important that the company is present and knows
how these thinks. IKEA is aware that it must act correctly on all areas. Of what the
respondent knows there has not been a conflict between the different stakeholders
expectations, demands and needs.

According to the respondent, media is an important stakeholder for IKEA, because
everthing that has to do with the PR and media is very cost effective, which agrees very
well with IKEA. The respondent states that the knowledge of working with media has a
high validity, a penetration that is much more higher then what IKEA’s own produced
advertising is, which is known.

A strong corporate identity is very important to have in the establishments overseas, but it
is up to the market manager to communicate on a suitable way that attracts the people in
that specific country. IKEA is built on a concept-document where all activities are written
down in manuals. The manuals cover everything, i.e. marketing or marketing
communication that contains vision and business concept and even different marketing
professional statements. In these manuals everything is described with pictures and text,
all manuals are like a book of reference. With the help of the manual and together with an
advertising agency that exists in that specific country they can think of how to reach out
to the foreign market in the best possible way. Here relationships will also play an
important role, in other words who they work with. In Sweden IKEA works together with
Forsmanboden Fors, is a creative advertising agency partner. IKEA decides what to do
and they carry it through, where they together find a way to create their television
 commercials or campaigns. The manuals evolve and are examined through the years.
This implies a lot of training as well, because they cannot learn everything there is to
know just by reading. In the IKEA Business School they get (there is an opportunity) to
train in all areas where the manual is used as a base. Together with IKEA and the manual
they shall go hand in hand and develop IKEA. The respondent claims that IKEA
develops every day; the framework, which gives security and the strong identity, makes it
doubtless to know what it is all about. However when it comes to communicating it, one
must take notice to the creative side of how to tease the market and be able to be
different. IKEA’s slogan is to be different, not to be as everyone else.

Continuity is important for example catalogues with low prices products, it is because of
this that people goes to shop in IKEA and because they like the assortment that is offered
there. If the customers would not like this, IKEA would not exist according to the
respondent. To present and lay low prices on the products is the most suitable medium to
communicate IKEA. The company spends millions on their stores that are 186
worldwide. The stores are a whole concept in itself, which contains different parts that
are three dimensional, where customers get to feel, see and test the products. This is
IKEA’s unique way of presenting their line of products.

According to the respondent when IKEA opens in a new country the people there can
think and wonders of IKEA, which can be spread through word of mouth, which is one of
the more effective ways to gain a favorable PR and a reputation. So all communication is
not controlled by the company and takes different ways.

The English expression of how they want their customers to think about the corporate
identity is as “a better partner in better living”. As IKEA in Sweden has understood it,
they want to be seen as a young and modern company with a twinkle in the eye. One
could say that it is the ground when they create their communication, both internally (as
for example store material) and externally. The tools that are in use when communicating
the corporate identity can be seen in the diamond figure, it starts with the assortment and
low prices, then the stores, catalogue, IKEA Family and at last all other types of marketing. The four upper variables in the diamond are the tools that are used for the everyday interaction with the customers. The lower parts from advantages in technology to the distribution channels are used for the interaction with the suppliers.

![Diagram of IKEA’s Marketing Mix]

Figure 5.1 IKEA’s Marketing Mix

When communicating with IKEA family club it is customers who wants to know more about IKEA besides the catalogue, were they are provided with more information about the company. TV-commercials, with a little boy called Nick who got a bit of cool attitude, it makes people aware of the companies brand name but with a commercial offer. Much of the communication is based on the Theme of being young and modern with a twinkle in the eye i.e. the little Nick had a suit covered with small teddy bears and flowered fabric. That has been brought up in cooperation with an advertising agency. All
communication has the purpose of increasing the sales and not for the communications sake. IKEA’s overall marketing is; TV-commercial, daily press advertising and customer relations what is in use mostly. The most important tool is the store because it is there IKEA interacts with its customers, because first the catalogue meets the needs of the customer with low price and good assortments the store is the media where all the things happens between IKEA and its customers.

The advertising is continuously, maximum three to four times a year, but there is some daily press advertising during a campaign when it is time for people to get paid. A good marketing communication in IKEA advertisements should have the purpose to lead the customer to the stores. When this kind of events takes place the stores need to be ready and have all the assortment to have it in stock at home, but also a nice assemble of the product have to be available in the store on a nice place with a acceptable price for the customer. The customer’s just need to visit the stores chose and looks up what product they want and pay for it, cash and carry, which is the melody of IKEA. In thought of the visual communication the stores are important, everything that is in the store are not there by an accident, it is very carefully thought out.

The whole IKEA is build on a mechanical system, there are no sales personal who welcomes the customer when entering a IKEA store, therefore the customers helps themselves in to the store and starts searching through a mechanical information for the products. There is customer guidance available to help all the customers who needs and wants their assistance. IKEA’s stores are based on “do it by your self”, where the customers can measure, and feel on the material and look through the prices and offers that are available there. IKEA has their own word for it, called “prosumers” (producers and consumers) customer is active in the production and selling part, because the customer chose the products in the stores and then freight it home where the customer then put it together by its own, which leads to consuming it direct after. The customer does the half of the work and IKEA do the other half and then both saves money.

Nothing happens by accident in IKEA, everything is well planned and especially when it comes to the store layout, where they make a use of the different seasons with different colors and sometimes this is done on an international level. They will then have the same material in all countries, which is what IKEA is about to be smart, because everybody will have the same need of specifying a message, so then it will be up to each country to translate the material to its own language, but the material is described in the form of colors, size and how it should be hanged up. By doing this, they have guaranteed themselves that the creative idea will be similar in all countries, otherwise there would be a risk that it could be interpreted in different ways. So this process can be done both on local or central level, but it is heading more and more towards a central level. The material is an aid to help each country create its own campaign, since the creative visual part is all ready done and then each country can concentrate on the other parts that need to be done.

Home furnishing press is one of the media’s, where IKEA gets many query to contribute with products, and take part, which is called product placement. Some other ways IKEA
is getting the knowledge and a picture of how other stakeholders view the company, which is the respondents working area to watch over the press and that is around 80 to 90 percent that are published in Sweden. It is important to know what is said about IKEA from the media’s, and if it is something then IKEA reacts immediately and inform. The picture of IKEA is daily created by its customers of the knowledge, information and experience that are gained from the stores. The picture of IKEA could be positive and negative, and if it is negative in that case the respondent’s work is to meet the problem on the Swedish market. IKEA have media training where speech men and the Chief Executive Officer’s (CEO) of the stores are trained to meet the media and what they may and not say.

It is affecting IKEA if the competitor’s communication is stronger by having campaigns and offers, because IKEA is very vulnerable when it comes to competition according to the respondent. Further more the respondent also claims that in the Swedish market IKEA is large and popular, which has given the company a great support.

IKEA has a good control on the competition communication, which is the sales departments responsibility to keep track on what they do and so on; it is official misconduct to not have control and knowledge about the competitors according to the respondent. The competitor’s communication does not affect the corporate identity it self, but more that it can affect the company’s sales. Therefore, IKEA follows up the position in each product area towards the competitors. The company needs to be careful so the identity does not disappear, because it is what IKEA is and it is the company’s long run investment.

Internet is interesting, the new technical solutions fits IKEA very well because the customers have the possibility to visit the homepage twenty four hours a day to get information when ever they would like to. IKEA is actively working with the Internet, among other things to develop and create relevant information as possible. The company sales also through Internet because they have the catalogue on the web site, so there are an IKEA store on the Internet.
5.2 Case 2 – Electrolux AB

Company Background

The Electrolux Group is the world’s biggest manufacturer of electricity and gas-driven home-appliances for the kitchen and cleaning and also for equipment for forest and garden maintenance. The company’s line of products includes refrigerators, ovens, laundry machines, vacuum cleaners, chainsaws, lawnmowers and garden tractors. Electrolux is also one of the world’s largest manufacturers of the same appliances but for professionals. Every year consumers in more than 150 countries buy over 55 million Electrolux products, which are sold under Electrolux own trademark or other well-known trademarks as AEG, Zanussi, Frigidaire, Eureka, Flymo and Husqvarna. Electrolux is their master brand worldwide, and will be so even more in the future. It stands for innovative, trusted solutions for an easier and more enjoyable life (www.electrolux.com).

Electrolux goal is to make the daily life as easy as possibly and as comfortably as possible to the people. When they develop new products their aim is to satisfy normal peoples daily needs. Their products are constructed for the ones that seek logical and practical solutions. They create products that are adapted to fulfill their purpose instead of being in the way (Ibid).

Respondent Background

The respondents name is as said earlier Mats Ronne. He is the vice president for brand management in Electrolux. He has worked three and half a year in his position and also the same amount of time in Electrolux.

5.2.1 How can the objectives of managing a corporate identity be described? RQ1

The respondent at the Electrolux says that the objectives with managing the corporate identity are to have clear and consistent goals, through giving their employees a lot of information so that their communication towards other stakeholders is consistent.

Another objective the respondent brings up is being able to differentiate from its competitors. This is done through the identity of the trademark, logos and their communication. The importance of the corporate identity has increased as the trademark and the company Electrolux is becoming synonymous for each other.

According to the respondent, thanks to Electroluxs’ strong corporate identity in peoples mind here in Sweden, they have a very favorable reputation and a large market share. They have also become more popular as potential employers. Due to Electrolux strong corporate identity in peoples mind their trademarks have received an added value here in Sweden. It is what Electrolux represents with their corporate identity that has created the added value to their trademarks. Electrolux also mentions that with a strong image in people’s minds, Electrolux also wants to be seen to be different from its competitors and as company that better fulfills the consumers’ everyday needs, and that is the image they
want their customers to have in their mind when thinking of the company as different. This leads to protection against the competitors although not much, because it is a very competitive market.

An important part of Electrolux belongs to the B2B segment; this implies that Electrolux’s corporate identity also turns to these and a strong image in the minds of the industrial customers will hopefully lead to higher sales in this segment. Electrolux is for the moment changing its orientation and is becoming more market-driven instead of cost driven as it was in the past. With a strong corporate identity and as a result of this a favorable image in peoples’ minds, according to the respondent, Electrolux will be able to attract competent people.

The respondent says that Electrolux is become more popular as a potential employer, but with a favorable image in people’s minds they hope that they will be able to attract competent people in order to implement their new market orientation in a better way. Building an increasingly stronger talent base with the right attitude and enthusiasm is one the company’s most effective competitive weapons and therefore they need to attract, develop, and retain top personnel, which in turn, will develop Electrolux. The company sees it as vital that they succeed in this. Shareholders are very important for Electrolux, since the company is listed in the stock exchange and a favorable image and reputation with these leads to that the company becomes more attractive to invest in. When talking about the company’s goals towards the shareholders they make sure that they know that Electrolux are investing more on product development and marketing in order to build Electrolux to a leading global brand. This is how they will reach a favorable and constant profitability and growth, which will create value for shareholders and other stakeholders.

Electrolux do not have any special relationship with the government that will provide them with a sympathetic legal framework, as a benefit of a favorable image and reputation. The company is more concerned with being a good citizen that follows laws and orders, and cares about environmental and social issues.

5.2.2 How can the risks with a lack of corporate identity management be described?

According to the respondent the company sees as the biggest risk when having a lack of management of the corporate identity that the customers will not have a clear picture about the company. If they do not have a clear image of the company then it is very probable that they will go to one of the competitors. Another risk nowadays is that they are trying to tie up competent people to work for Electrolux and with a lack of management of the corporate identity there is a great risk that other companies tie up the most competent people due to a more beneficial reputation.

5.2.3 What must a company consider when managing a corporate identity? RQ3

Electrolux sees themselves as a well-known company that has good quality in their products and services, which is reflected in the prices the company charges, according to the respondent, which also gives an added value to the product and a “goodwill” in the
valuation of its corporate and product brand. The respondent further mentions that their consumer will hopefully perceive the brand on one of their products as a sign of quality, dependability and leadership.

The respondent says that Electrolux aims to be more market-driven, this will mean that their marketing and thus their advertising efforts will increase in order to strengthen a positive view of the company’s identity in the stakeholders mind and also towards the retailers. When they communicate towards employees they use their intranet. It is of great importance to feed employees with information that the employees can be consistent in their communication towards other stakeholders. Electrolux consider talent, which is the company’s employees with all their abilities and skills, that is one of their most valuable assets for Electrolux. The respondent also mentions that the company believes that actively managing and developing this asset is a prerequisite for success. Electrolux want to help their employees achieve their full potential, by helping them to learn and grow at every step along the way. In order to accomplish this Electrolux provide coaching, feedback and training to develop and motivate people to perform at their best that the company also can achieve their aspirations. The respondent says that hopefully the company’s aspirations will be achieved, that means the image in peoples’ minds of the corporate identity will be closer to the one Electrolux want them to have.

Electrolux communicate its corporate identity through all possible channels, for example when they do advertising for a product they always shows who is behind the product, since the product in its own does not have a long life cycle. Their corporate identity is most often communicated through advertising. Electrolux got their logo on all materials and on everything they want to communicate. Their stores are also a way of communicating their identity according to the respondent. Electrolux also communicate its corporate identity through the stores they have, which only sells their own products that consists of 18 different brands in the Electrolux Group for kitchen, cleaning and outdoors appliances for both consumers and professional users.

According to the respondent, through communicating its slogan, which also is a promise: “buy me and you will get this experience”, what Electrolux’s brand is communicating to its market, have far spread a positive word-of-mouth and given a favorable image. Through the years Electrolux has become a very well known brand name and company worldwide, much of this is because of what the company are communicating, which is quality, dependability and leadership, this will give added confidence and assurance, the respondent says. As long as Electrolux keep its promise the company feels that a positive word-of-mouth will be spread, although they know that it is hard to control the information spread through this channel.

The PR group is the ones who take care of the company’s communication towards media. The press releases that Electrolux have in their homepage play an important role in the communication towards media., which also plays an important role of Electrolux’s communication of the corporate identity toward its stakeholders. The respondent says that they keep themselves updated about what is said about the company in the media, because it affects the image of Electrolux to other stakeholders, which is done on a
regular basis. If the media says something negative or that is not in accordance with what the company wants that the stakeholders will think of them, the respondent says that they will be obligated to act at that moment. Electrolux also keep them updated with what their competitors are communicating. Competitors’ communication towards customers can in it not affect what the company will communicate of its corporate identity, because if the competitors are successful they will gain market shares, but the competitors’ communication towards customers do not affect Electrolux communication of its corporate identity.

The company does, according to the respondent, a world-watch to get a whole picture of what is being thought of them, because the customers are different when it comes to how they want to use and interact with their appliances. To understand these differences is vital for successful product differentiation, which is why Electrolux is increasingly applying techniques that involve interviews, focus groups, scorecards, observational research and Internet panels. Identifying consumer needs is a pre-requisite for all decisions on investment in new products, as well as for market communication. Electrolux also covers what media says about them. Media is an important stakeholder since they can control people’s opinions. What the consumers thinks about the company is measured through surveys that are done approximately three times a year. Electrolux meet consumers, observe them interacting with their products and ask them questions all over the world. Every year, they interview thousands of consumers about how they use the company’s products, what they like and what they don't like.

The respondent says that a strong brand is thanks to a favorable image and reputation that creates consumer preferences and are also preferred by retailers. Electrolux are also more profitable for the retailer and for this reason the company are reducing their brands and building up Electrolux, which is their main global brand. Electrolux has press releases on their home page that can fulfill media’s need for information, and also through Electrolux annual report the company is trying to tell their shareholders how theirs demand and needs are being accomplished, since they know what type of information the shareholders require. According to the respondent, in order to attract, develop and retain top personnel Electrolux is aware that they must have a great knowledge about the wants and needs of these. The suppliers’ importance has increased as the company are shutting down their own plants and depending more on external suppliers. Electrolux want collaboration with their suppliers, were both parts know how to create value for each other. It is important for Electrolux that their suppliers follow certain ethical codes, environment policies and codes of conducts in the working place, since the suppliers also spreads an image about the company. The respondent says, that Electrolux is aware of their main stakeholders that are B2C and B2B customers, employees, investors, media, retailers and suppliers. The company is aware what they can gain from these stakeholders when Electrolux fulfills their needs.

The respondent says that one cannot say that a certain stakeholder group is more important than another, but the dominant stakeholders are consumers, employees, retailers and shareholders. Electrolux wants to be perceived as the leaders in the minds of consumers and in order to reach this the company must become truly market-driven, a
leader on the basis of insight into consumer needs. The company’s communication towards their consumers has not been one of their strengths, by being more market driven this is also what will be improved, as the consumers are critical to the company’s success. According to the respondent, in order to reach the more market-driven orientation, the employees become and are critical for the success of the new orientation and their overall success. The retailers are also very important, since the employees are the link between the customers and the company. Furthermore, the respondent says that Electrolux aim is to be in the top three suppliers to the main retailers. Since Electrolux is listed on the stock exchange it is very important for the company to let their shareholders know what they are doing and why. It is important for Electrolux that the shareholders know that they are getting value for the money they have invested in the company.

Generally speaking they have been good in their communication towards retailers, but they can vastly improve in their communication towards consumers. The respondent says that Electrolux is becoming a market-driven company the communication towards consumers will be of greater importance for the company. Electrolux knows which stakeholders to prioritize in case of a conflict between their stakeholders’ demands, but most importantly is that the stakeholders’ function in a synergy. Although if a conflict would occur the customers would be prioritized but other stakeholders would not be ignored. According to the respondent there are no conflicts between their stakeholders needs since they all work in a synergy, if the company satisfies the customers’ needs, they will be willing to pay for it. This will create a positive interest and development for the shareholders.

It is important for Electrolux to create long-term value for their stakeholders, according to the respondent. Through maintaining a relationship with Electrolux’s stakeholders in order to maintain them loyal to the company and/or to better fulfill their needs, this will also give the stakeholders a better image of the company. The information Electrolux gives to the different stakeholders is different, since they demand different type of information. The respondent says that the company has different relationships with their stakeholders and as a result of this, they know which information to communicate to each stakeholder group. Especially information regarding their corporate identity, the company tries to emphasize different parts of it when communicating it. Electrolux keep tabs on what the different stakeholders groups considers about their corporate identity, which is constantly done on a regular basis. The respondent says that there is always a difference between what the different stakeholders and the company itself thinks of its corporate identity. A figure of Electrolux’s main stakeholders is illustrated on the next page (figure 5.2 ).
5.2: Electrolux main stakeholders

Create long-term value for the shareholders

Understand the consumer’s needs and on a long-term create a customer satisfaction and confidence.

To be an active employer in all regions.

Be a good community citizen.

Understand the needs of the retailers and customers and build up a long-term cooperation that create a value for both partners.

Cooperate close with the suppliers and through lowering the costs and development of more innovative products creates value for both partners.
6 Data Analysis

In this chapter an analysis of the collected data from the previous and fifth chapter where the collected data was presented is conducted. A within-case analysis is made as well as a cross-case analysis for the two cases. In the within-case analysis the gathered data is compared to the previous research discussed in the frame of reference, and in the cross-case analysis the cases are analyzed and compared to each other.

6.1 Within-case Analysis

In the first section a within-case analysis will be conducted. As Yin (1994) states this analysis relies on theoretical propositions, and the analytic strategy that is chosen is pattern matching and proposed by the author. Pattern matching implies that the empirical data is compared to previous research presented in the frame of reference. In this within-case analysis the intentions are to discover similarities or differences between the collected data and previous research. In this section each case is analyzed accordingly to the three research questions.

6.1.1 RQ1 How can the objectives of the corporate identity be described?

Objectives of managing the corporate identity

The two objectives mentioned in the literature chapter are the objectives, a favorable corporate image and a favorable corporate reputation, brought up by Balmer (1998), Balmer and van Riel (1997) and Balmer and Wilson (1998). The theories mentioned goes well in hand with what IKEA states that the objective with the management of the corporate identity, which is built on a vision and the business concept, is that the consumers will have a favorable image of what the company stands for, and in the long run have a good reputation about the company in the consumers’ minds. The empirical data of Electrolux also confirms the theories mentioned earlier, because the objective with the management of Electrolux’s strong corporate identity is to have a favorable image in people’s minds and sustain the very favorable reputation that they have in the Swedish market.

Benefits when reaching the objectives

Balmer, 1995, Balmer and Wilson, 1998, Balmer and van Riel, 1997, Christensen and Askegaard, 2001, state that a favorable image and reputation will make stakeholders inclined to use the company’s products and add value to their products. Furthermore, according to Christensen and Askegaard (2001) a favorable image and reputation of the corporate identity creates a consumer confidence and loyalty to the company. This goes somewhat in accordance with what IKEA has said. The company has a great position on the home market, almost all Swedes know about IKEA and 80 to 90 percent of the Swedish population has bought something in IKEA according to their surveys, the company sees this as a strong benefit. Another benefit with their strong corporate identity
Data Analysis

in the customers mind is that they will buy more. Other benefits that the company sees with a strong corporate identity are that consumers will have confidence in the products they sell and this will also lead to a strong customer loyalty. The findings from Electrolux go in accordance with the theories, because some of the benefits when reaching the objectives are to keep their large market share in Sweden, in other words to make their customers loyal to the company’s products. Due to Electrolux strong corporate identity in peoples mind their trademarks have received an added value here in Sweden. It is what Electrolux represents with their corporate identity that has created the added value to their trademarks. Also a strong brand is created by a strong image and reputation. This will give added confidence and assurance when customers will want to buy new appliances.

A favorable image and reputation gives the benefit that industrial customers will be more inclined to trade with the company (Balmer and Wilson, 1998). The data from IKEA goes somewhat in accordance with theory, because the company has a department that is called Work IKEA, which sells to small, and medium sized companies, everything from one-man companies to companies that have up to 200 employees. The corporate identity turns to these as well but to a much lesser degree, therefore this benefit is not as important. When it comes to Electrolux, the theories are in a great accordance with the findings from the company. The reason for this is that an important part of Electrolux belongs to the B2B segment; this implies that Electrolux’s corporate identity also turns to these and a strong image in the minds of the industrial customers will hopefully lead to higher sales to this segment.

A benefit is that shareholders will be more inclined to purchase stock in the company, when it has a favorable image and reputation. Therefore it could be said that a favorable image and reputation stimulate investments (Balmer and Wilson, 1998, Christensen and Askegaard, 2001). This theory is not supported by the collected data from IKEA because the company is not listed on the stock exchange so they do not have the need to talk to shareholders, owners and so on. So they do not need to have people insight into the company and can shut the door and do not tell anything, which they do. IKEA do not search for investors it is something that just happens but only when it comes to establishing in a new country that IKEA did not think of opening a business. It becomes more a matter of cooperation between IKEA and the partners that are going to open an IKEA store in that specific country. In the case of Electrolux the empirical data is very much in the accordance with the theory. Shareholders are very important for Electrolux, since the company is listed in the stock exchange and a favorable image and reputation with these leads to that the company becomes more attractive to invest in. When talking about the company’s goals towards the shareholders they make sure that they know that Electrolux are investing more on product development and marketing in order to build Electrolux to a leading global brand. This is how they will reach a favorable and constant profitability and growth, which will create value for shareholders and other stakeholders.

Benefits concerning employees when having a favorable image and reputation are that potential employees will be inclined to work for the company, the company will be able to attract tip top personnel, motivate and guide the personnel in accordance with the

IKEA are not agreeing with the theories completely, when it comes to attracting potential employees and tiptop personnel the company focuses more on attracting people who are competent. When it comes to the theory of guiding personnel, IKEA has a document that is written by the founder Ingvar in the purpose of guiding the personnel, the document “a furniture-retailer’s testament” describes how to create a better weekday to the different people. It is present in all recruitments, especially when new employees come to IKEA it is one of the first documents that they come across. There can be different interpretations when every employee reads it on its own, because of this it is very important that the business concept also is a part of its context in the company, both internally and externally. Part two which is called “Oden” goes deeper into the guidance of the personnel, it has become a way of clarify and maybe somewhat control what is really meant with the document. This is what happens when people are employed somewhere in IKEA. Much of this concerns the stores role, which is the meeting with the customer that first comes to the mind amongst other things in the chain for example product development, purchasing, distribution and retailer. The empirical data of Electrolux is in accordance with the theory. Electrolux has become more popular as a potential employer, but with a favorable image in people’s minds they hope that they will be able to attract competent people in order to implement their new market orientation in a better way. Building an increasingly stronger talent base with the right attitude and enthusiasm is one the company’s most effective competitive weapons and therefore they need to attract, develop, and retain top personnel, which in turn, will develop Electrolux. The company sees it as vital that they succeed in this.

A favorable image and reputation make governments incline to provide a sympathetic legal framework (Balmer and Wilson, 1998). The findings from IKEA does not support this theory, the company is more concerned with being a company that cares about social and environmental issues and following the local laws specially when acting abroad. This implies that IKEA focus more on acting in accordance to for example the legal framework that is present in every country instead of trying to influence it so that it will suit or be of advantage to the company. In the case of Electrolux, the empirical data also collides with the theory since the company is also more concerned with being a good citizen that follows laws and orders, and cares about environmental and social issues.

Differentiation is a benefit, that is gained through favorable image and reputation because it distinguishes a company in an increasing competitive commercial environment, makes a company visible and protects them from competitors according to Balmer (1995) and Rowden (2000). In accordance with the theories, when IKEA communicates its corporate identity, it tries to be different, since IKEA is about being different and not to be as everyone else. A large amount of money is spent on the stores worldwide, because it is one of their communication channels that are connected to the corporate identity. Hence, it contains different parts that are three dimensional, where customers get to feel, see and test the products. This is one way for IKEA to be unique and different among it competitors, which is also a way of protecting themselves towards the competitors. This
is the image that IKEA wants their customers to have in their mind. Electrolux agree with the theories, stating that with a strong image in people’s minds, Electrolux also wants to be seen to be different from its competitors and as company that better fulfills the consumers’ everyday needs, and that is the image they want their customers to have in their mind when thinking of the company as different. This leads to protection against the competitors although not much, because it is a very competitive market.

6.1.2 RQ2. How can the risks with a lack of corporate identity management be described?

The authors Kiriakidou and Millward, (2000), and Markwick and Fill, (1997), talks about that a lack of a clear or consistent CI could mean that the view and expectations of different employee groups are fragmented which will lead to confusion amongst other stakeholders when dealing with different groups of employees. This goes somewhat in accordance with what IKEA states, that when establishing IKEA in a foreign market a lack of clear identity should not happened. The guarantee for this is the manuals and the recruitment of the right people in the right places, the right training and to expatriate the adequate people to foreign markets. The risks that can occur is that the employees cannot handle IKEA even with the framework that they take with them when a new establishment is taking place. IKEA is aware that a lack of a clear identity is a risk and does its best in order to avoid it. The empirical data from Electrolux does not support the theory, since Electrolux does not mention any of the things mentioned by the theories above as a risk.

Rowden, (2000) states that an unsuitable identity can only mislead and get in the way of the company. Furthermore, Balmer (1998) states that an organization that has a favorable corporate image but an unfavorable corporate identity lives in the constant danger that the reality of the organization may be discovered. The situation is complicated by the fact that different groups and individuals are likely to evaluate organizations on different dimensions and may hold different perceptions of an organization. The empirical data from IKEA goes somewhat in accordance with the theory but focus more on that the biggest risk with an inappropriate identity is that it will lead to failed communication, for example that they get a bad grade in the survey IKEA do for different campaigns and marketing events, which could lead to that no one has understood what IKEA wants to communicate and do not go into peoples mind. When it comes to Electrolux, nothing they say supports the theory mentioned above.

The authors, Markwick and Fill (1997) claim that all companies have a corporate identity, but while some try to actively manage their identities others care less by which they confuse their audiences, under-perform in their markets and unconsciously contribute to the formation of negative reputations. The empirical data from IKEA does agree somewhat with theory concerning some risks. As IKEA states that through the manuals and documents, IKEA are trying to minimize any misinterpretation of their corporate identity or mismanagement of the same. Besides that they also have their own schools where the employees learn to manage the manuals. They are also aware that they must be very active when dealing with the communication of the corporate identity since
otherwise their competitors will gain on them and they will or could under-perform as a consequence of this. The findings from Electrolux is in line with the theory to a great extent, the company states that the biggest risk when having a lack of management of the corporate identity is that the customers will not have a clear picture about the company. If the customers do not have a clear image of the company then it is very probable that they will go to one of the competitors. Another risk is that they are trying to tie up competent people to work for Electrolux and with a lack of management of the corporate identity there is a great risk that other companies will tie up the most competent people due to a more beneficial image and/or reputation.

6.1.3 RQ3 What must a company consider when managing its corporate identity?

Balmer and Greyser (2003) state that primary communication is the fist level of communicating the corporate identity, which is the communication effects of:

- Products and services
- Market behavior
- Behavior towards employees
- Employees behavior to other stakeholders
- Non-market behavior

The empirical data that has been collected from IKEA about their communication of its corporate identity are in accordance with the authors’ theory. The assortment, low prices and their stores are part of IKEA’s marketing mix that communicates the corporate identity. Continuity is important for the company, since for example the assortment that is offered is one of the reasons why people shop in IKEA. The low prices on their products are seen as the most suitable medium to communicate IKEA. The company spends millions on their stores and they have a unique way of presenting their line of products. An idea with the customers visit to the stores, is that the customers do half of the work and IKEA does the other half, which saves money for the them both. Furthermore, IKEA pays a lot of attention to the experience the customers has when they visit their stores. The survey done by IKEA, called Customer Service Index, is a clear proof of that. IKEA is very concerned with today’s social and environmental issues; therefore they have a lot of cooperation with several NGO’s. This is also something that the company wants the public to be aware of.

A way to see IKEA’s corporate identity, when it comes to cost awareness, in the company’s behavior towards its employees is that the management has to travel in economy class when going on a business trip. The documents called “A Furniture-retailer’s Testament” and “Oden” main purpose is to guide the employees in accordance with the company’s vision and business concept. There are also manuals that describe how the company should communicate the corporate identity. The manuals evolve and are examined through the years. This means that a lot of training is required, since IKEA believes that just reading cannot learn everything. So the employees get a lot of training in all areas where the manual is used as a base. IKEA feels that the employee that a customer meets when visiting their stores becomes an image of the company for that
customer, therefore the employees’ interaction with the customers is of great importance and employees should know how to interact with the customers. IKEA therefore sees the workers who meet the customer on an everyday basis as a tool when communicating their corporate identity. The image of IKEA can be positive or negative; if it is negative it is in IKEA’s line of work to meet the problem on the Swedish market. IKEA have media training where speech men and the Chef Executive Officer’s (CEO) of the stores are trained to meet the media, where they learn what they may and may not say. IKEA has a lot of cooperation and supports NGO’s that are not in their line of business such as UNICEF and BRIS.

Electrolux agrees partly with the theory of Balmer and Greyser, (2003). Electrolux sees themselves as a well-known company that has good quality in their products and services, which is reflected in the prices the company charges. This also gives an added value to the product and a “goodwill” in the valuation of its corporate and product brand. According to Electrolux their consumer will perceive the brand on one of their products as a sign of quality, dependability and leadership. This perception is in accordance with the Electrolux corporate identity. When Electrolux communicates towards its employees they use their intranet. Electrolux consider talent, that is their employees and all their abilities and skills, as one of their most valuable assets. The company believes that actively managing and developing this asset is a prerequisite for success. Electrolux want to help their employees achieve their full potential, which means helping them to learn and grow at every step along the way. In order to accomplish this they provide coaching, feedback and training to develop and motivate people to perform at their best so that the company also can achieve their aspirations. If the company’s aspirations are achieved, the image in peoples’ minds of the corporate identity will be closer to the one the company want them to have. It is also of great importance to give employees as much information as possible so that the employees can be consistent in their communication towards other stakeholders.

Next level of the TCC according to Balmer, (1995), Balmer and Greyser, (2003) is the secondary communication, which includes:

- Formal, Corporate and Communications (advertising, public relations, and sponsorship)
- Visual identification system

Regarding the theory of the secondary communication, IKEA agrees with it because they use catalogues, IKEA Family Club, and all other type of marketing in order to communicate their corporate identity. The IKEA Family Club is for the customers that want more information regarding IKEA than what the catalogue can give them. All other types of marketing consist of TV-commercials and daily press advertising. The TV-commercials done by the IKEA together with an advertising agency must in way express their view of IKEA as a young and modern company with a twinkle in the eye. The company has manuals that together with a locally advertising agency will help them reach out to the market in the best possible way. A way of communicating the cooperation with NGO’s that are in IKEA’s line of business, will be through a folder that
they will release in cooperation with a couple of NGO’s that will talk about the company’s performance in these issues. Furthermore IKEA also cooperates with NGO’s that do not really have anything to do with the company’s activities, such as UNICEF and BRIS, in form of sponsorship as IKEA feel that their work is of great value.

The visual communication of the IKEA stores are important, because everything that are in the stores and the graphic design of the same from the outside perspective are not there by an accident, it is very carefully thought out so it will communicate the corporate identity in a suitable way. The most important tool to communicate is the stores because first the catalogue meets the needs of the customer by communicating corporate identity with its assortments and low price products but the stores is the media where all the interaction with the customer is done. IKEA sees the Internet as interesting for the company, as all types of new technical solutions also are, and another way of communicating the corporate identity. It fits IKEA like a glove, since it consists of mechanical information, similar to the function at their stores and therefore gives similar image in the customers’ minds as their stores. Customers search by themselves and they do everything by themselves, which makes it possible to have access 24 hours per day to the information. Since the Internet fits IKEA very well, they are actively working with it. They are developing the platform and creating as relevant information as possible. As they see it they are also selling through the Internet since IKEA have their catalogues on their homepage, in other words they feel that they have a store on its own that is the homepage. The IKEA logo has a manual that describes among other thing how the logo should be managed. The company has chosen to only have two logos and two trademarks, and not to be in all different shapes, but there can be difference when it comes to the choice of colors. This is done in order to be consistent and not confuse the customer

The empirical data of Electrolux are in accordance with the theory of Balmer, (1995), Balemer and Greyser, (2003), because Electrolux communicate its corporate identity through many channels but mostly through advertising. The company always shows who is behind the product, because the product in its own does not have a long life cycle. Electrolux got their logo on all materials and everything they want to communicate. Electrolux aims to be more market-driven, by increasing their efforts on marketing in order to strengthen a positive corporate identity in the stakeholders mind. The communication towards the media is handled by Electrolux’s PR group in the form of press releases that are published on the company’s homepage, which also plays an important role of Electrolux communication of the corporate identity toward its stakeholders. Electrolux also communicate its corporate identity through the stores they have, which only sells their own products that consists of 18 different brands in the Electrolux Group for kitchen, cleaning and outdoors appliances for both consumers and professional users.

The final level, of the theory concerning TCC, according to Balmer, (1995), Balmer and Greyser, (2003), is the tertiary communication that consists of the all-important communication effects third-party communication, which includes among others, word of
mash, media interpretation, and competitor communication. The tertiary communication is all type of communication the company cannot directly control, these are:

- Word-of-mouth
- Media interpretation and spin
- Competitors-Communication and “spin”

The empirical data collected of IKEA is to a great part in line with the theory, because the company is aware that they do not control all communication and that it can take different ways. IKEA considers that word-of-mouth is a very effective way of gaining a favorable image and reputation. Although the company does not control it, it counts on that the customers will have a good experience in their stores, specially when establishing in a new country, and spread it through word-of-mouth.

When it comes to the media, IKEA has divided them into two categories. The first one is the home furnishing press from whom they receive many inquiries to participate and contribute with products. So IKEA tries to do an active product placement through this medium, as they often want IKEA to participate since they have the opinion that IKEA is very good when it comes to home furnishing. This spreads a favorable image of IKEA to other stakeholders. The second one is the corporate part, in other words the knowledge or image of IKEA. IKEA is covering what is said by the press and reads approximately 80 to 90 percent of everything that is said in Sweden. It is important for the company to have knowledge of what has been said. Everyday they read everything that has been said the day before about the company. If something comes up, they act upon that. The image of IKEA is in reality created by every person; in the form of knowledge, information and experience they have of IKEA.

Furthermore, IKEA has a good coverage of the competitors’ communication, which falls under the sales departments’ responsibility to keep track of what the competitors say and do. It would according to the company be unprofessional to not have knowledge about the competitors. The competitors’ communication does not affect the corporate identity, but it does affect the company’s sales if the competitors’ communication is stronger in the form of campaigns and offers, since IKEA is active in a very competitive market according to IKEA. Many competitors are gaining ground on the Swedish market. Although IKEA are very big in Sweden and have a strong position there, they cannot rest and sit with their arms crossed, but must be on their feet every day.

The findings from Electrolux are also in accordance with the theory with the exception of the competitors’ communication. The company states that the promise: “buy me and you will get this experience”, that the Electrolux’s brand is communicating to its market, have so far spread a positive word-of-mouth and given a favorable image. Through the years Electrolux has become a very well known brand name and company worldwide, much of this is because of what they are communicating that is quality, dependability and leadership, which will give added confidence and assurance. As long as they keep what they promise the company feels that a positive word-of-mouth will be spread, although Electrolux know that they cannot control the information spread through this channel.
Electrolux keep themselves updated about what is said about the company in the media as it affects the image of other stakeholders, this is done on a regular basis. If the media says something negative or that is not in accordance with what the company wants that the stakeholders will think of them, they will be obligated to act.

Electrolux constantly keep them updated with what their competitors are communicating, because if the competitors are successful they will gain market shares, but the competitors’ communication towards customers do not affect Electrolux communication of its corporate identity.

Dowling, (2001) argues that stakeholders are linked to an organization in different ways, mostly because the different stakeholders have different needs and wants that the company can help fulfill, or the company may be under their supervision. It is of importance that the company understands the expectations of the stakeholders. Nowadays companies have to explain their value to a wide range of stakeholder groups, where a win-win situation in the relationship with the company must be communicated (Dowling, 2001). According to Balmer (1998), Balmer (2002) and Dowling (2001), the number, type, function and mix of stakeholder groups that a company has will vary and also the importance of these, furthermore the perceptions between the different stakeholders will also vary.

In accordance to the theory IKEA knows what their, customers want because they tell the company what their expectations, demands and needs are. This information is received through the surveys conducted by the IKEA and through the personal notes collected from their boxes. The suppliers’ needs and wants are also known by IKEA through their relationships with them. IKEA has also a lot of cooperation with NGOs and it is important for the company to know how these thinks, since IKEA is aware that it must act correctly on all areas. IKEA has a department called Work IKEA that focus on small and medium sized companies, since these companies has a little different need that their regular customers. IKEA has a lot of cooperation with the home furnishing media, since these types of media often ask IKEA to be involved in some of their issues and IKEA tries to fulfill their requests as they see this as a product placement. When it comes to the daily press or other press they have press releases on their homepage, which these can take part of. The partners that IKEA has in some countries need guidance when they open a store in that country and this is something that the company is aware of and tries to fulfill. IKEA recruits employees that have specific needs and wants, which matches the business concept. The external franchises are important since they become a part of the company although they are independent to a certain level, but they still need to do most of their operation according to the IKEA way. So it is important for IKEA to know what these franchises need in order to operate correctly. As the theory states IKEA is aware of their several stakeholders; customers (B2C and B2B), employees, suppliers, NGO’s, media and external franchises (investors). IKEA is aware of the importance the different stakeholders have for the company and its success.
The empirical data of Electrolux supports the theory that is mentioned by Dowling (2001), as the company states that customers are different when it comes to how they want to use and interact with their appliances. Understanding these differences is vital for successful product differentiation. That is why the company is increasingly applying techniques that involve interviews, focus groups, scorecards, observational research and Internet panels. Identifying consumer needs is a pre-requisite for all decisions on investment in new products, as well as for market communication. Electrolux meet consumers, observe them interacting with their products and ask them questions all over the world. Every year, they interview thousands of consumers about how they use the company’s products, what they like and what they don't like. Strong brands thanks to a favorable image and reputation create consumer preferences and are also preferred by retailers. They are also more profitable for the retailer and for this reason they are reducing their brands and building up Electrolux as their main global brand. Electrolux has press releases on their home page that can fulfill media’s need for information. Through Electrolux annual report the company is trying to tell their shareholders how theirs demand and needs are being accomplished, since they know what type of information the shareholders require. In order to attract, develop and retain top personnel the company is aware it must have a great knowledge about the wants and needs of these. The suppliers’ importance has increased as they are shutting down their own plants and depending more on external suppliers. Electrolux want collaboration with their suppliers, were both parts know how to create value for each other. It is important for the company that their suppliers follow certain ethical codes, environment policies and codes of conducts in the working place, since the suppliers also spreads an image about the company. The findings from Electrolux are also in line with the theory, because the company is aware of their main stakeholders that are customers (B2C and B2B), employees, investors, media, retailers and suppliers. The company is aware what they can gain from these stakeholders when Electrolux fulfills their needs.

Dowling (2001) states that it is important that managers need to understand which groups of stakeholders are more important to the company, because some linkages between stakeholders and the company will be much more important to operational success than others. Therefore an effective corporate identity management implies that these stakeholders are prioritized (Balmer, 2002). In accordance to this theory the respondent at IKEA stated that, customers in the category B2C are the most important stakeholders, since everything they do is in order to benefit these. The second most important stakeholder are the employees because they are the most important group of their functional stakeholders, the company would not be what they are today with out them. The media and NGO’s are also of great importance to the company. The empirical data from Electrolux also agrees with the theory since the company’s more dominant stakeholders are consumers, employees, retailers and shareholders. Electrolux wants to be perceived as the leaders in the minds of consumers and in order to reach this the company must become truly market-driven, a leader on the basis of insight into consumer needs. The company’s communication towards their consumers has not been one of their strengths, by being more market driven this is also that will be improved, as the consumers are critical to the company’s success. In order to reach the more market-driven orientation, the employees become and are critical for the success of the new orientation
and their overall success. The retailers are also very important, since they are the link between the customers and the company. Electrolux aim is to be in the top three suppliers to the main retailers. Since Electrolux is listed on the stock exchange it is very important for the company to let their shareholders know what they are doing and why. It is important for the company that the shareholders know that they are getting value for the money they have invested in the company.

If an organization has different groups of stakeholders who make different demands on management there is always a risk for conflict between their demands. An important question is which of these groups should be the more dominant one, but most importantly is to achieve harmony among the competing interests of stakeholders. Although employees and customers are often the two most important stakeholders groups it is important that the other groups are not ignored. (Dowling, 2001) The findings from IKEA are somewhat in accordance to the theory, since the company has a good relationship with its stakeholders and there exists no conflicts between the company and its stakeholders. IKEA do not feel that their different stakeholders’ needs or wants collide, therefore there exist no conflict between their stakeholders. Although if a conflict would occur the customers would be prioritized but other stakeholders would not be ignored. Electrolux also agrees to a large extent with the theory, but they claim that there are no conflicts between their stakeholders needs since they all work in a synergy. For example if the company satisfies the customers’ needs, they will be willing to pay for it. This will create a positive interest and development for the shareholders. The company knows which stakeholders to prioritize in case of a conflict between their stakeholders’ demands, but most importantly is that the stakeholders’ function in a synergy.

As time goes by the exchanges the stakeholders has with a company will result in the formation of different types of relationship with the company. The type of desired relationship a company has with its stakeholders is important because it can have big impact on the beliefs and feelings (image) stakeholders hold of the company. The different functional relationships people have with an organization will also influence the amount and types of information they want about the company and its activities. (Dowling, 2001)

IKEA’s empirical data agrees with the theories that have been mentioned above. IKEA believe that they have a good relationship with its stakeholders. Especially when it comes to their customers, mostly through the face-to-face interactions in the stores and the IKEA Family Club. Most of the responsibility lay on the hands of the employees in the stores, because of the human contacts and the meetings with the customers that they have. It is important for the company that the employees know how to interact with the customers because the employees become the image of IKEA to the customer. Employees will find their guidance through the manuals but when the manuals evolve they are send to IKEA Business School so that their needs of learning are fulfilled. Work IKEA’s purpose is to take care of the company’s business customers, where they focus on small and medium sized companies. This department listens to these customers somewhat different needs than the regular customers and tries to fulfill these. Different tasks are carried out in order to take good care and create good relationships with the
company’s suppliers, but if a supplier cannot meet IKEA’s demand a new supplier will be found. IKEA cooperates with several NGOs, since they want to have these organizations on their side when they carry out with their work. Soon a folder will be released that will highlight some of these cooperation. IKEA is concern about knowing how these organizations think and to act in accordance with that. As IKEA takes in partners, external franchises, it becomes important to have a good relationship with these as these are a part of the company and influence the image of the company in the country where they are active in. Although they are independent to a certain level, IKEA provides them with manuals and documents about how to handle their business.

The collected data about Electrolux is in accordance with the theory of Dowling (2001). Electrolux aims to create long-term value for their stakeholders. Electrolux tries to maintain a relationship with their stakeholders in order to maintain them loyal to the company and/or to better fulfill their needs, this will also give the stakeholders a better image of the company. The information the company gives to the different stakeholders is different, since they demand different type of information. The company has different relationships with their stakeholders and as a result of this, they know which information to communicate to each stakeholder group. Especially information regarding their corporate identity, the company tries to emphasize different parts of it when communicating it.

6.2 Cross-case analysis

In the previous section a within-case analysis was presented. As a mean to discover possible similarities and differences between the two cases, a cross-case analysis is conducted. For this, the data has been displayed as proposed by Miles and Huberman (1994) and assembled in matrixes to easier give the reader an overview of the collected data. The cross-case analysis is presented according to each research question under which the three cases are brought up. Through this, possible similarities and differences between the cases are easier realized.

6.2.1 Cross-case analysis – research question one

The data display in table 6.1 below, illustrates an overview of the objectives with the management of the corporate identity and the benefits these leads to. Five different codes are used in all research questions in order to distinguish how much each company agrees with the different variables. The coding system will be explained below:

0 0 : Indicates that the respondent did not express an opinion regarding this variable.
- - : Indicates that the respondent disagreed with previous research.
- + : Indicates that the respondent interpreted the variable differently and gave his/her own view on the matter.
+ - : Indicates that the respondent partly agrees with previous research.
++ : Indicates that the respondent agreed with previous research.
Table 6.1: Objectives and Benefits

<table>
<thead>
<tr>
<th>Objectives and Benefits</th>
<th>IKEA</th>
<th>Electrolux</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Objectives</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Favorable corporate image</td>
<td>++</td>
<td>++</td>
</tr>
<tr>
<td>Favorable corporate reputation</td>
<td>++</td>
<td>++</td>
</tr>
<tr>
<td><strong>Benefits</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Willing to use company’s products</td>
<td>++</td>
<td>++</td>
</tr>
<tr>
<td>Added value to products</td>
<td>++</td>
<td>++</td>
</tr>
<tr>
<td>Consumer confidence</td>
<td>++</td>
<td>++</td>
</tr>
<tr>
<td>Consumer Loyalty</td>
<td>++</td>
<td>++</td>
</tr>
<tr>
<td>Trade with industrial customers</td>
<td>+-</td>
<td>++</td>
</tr>
<tr>
<td>Willingness from shareholders to invest</td>
<td>--</td>
<td>++</td>
</tr>
<tr>
<td>Attract potential employees</td>
<td>++</td>
<td>++</td>
</tr>
<tr>
<td>Attract tiptop personnel</td>
<td>+-</td>
<td>++</td>
</tr>
<tr>
<td>Motivate personnel</td>
<td>00</td>
<td>00</td>
</tr>
<tr>
<td>Guide personnel</td>
<td>++</td>
<td>00</td>
</tr>
<tr>
<td>Legal framework</td>
<td>-+</td>
<td>-+</td>
</tr>
<tr>
<td>Being seen to be different</td>
<td>++</td>
<td>++</td>
</tr>
<tr>
<td>Protection from competitors</td>
<td>++</td>
<td>++</td>
</tr>
</tbody>
</table>

Concerning the objectives when managing the corporate identity in table 6.1, both IKEA and Electrolux share the same opinion that a favorable corporate image and reputation are the objectives to reach.

The two companies agree that the benefits concerning products and services, which are listed in table 6.1, are benefits that are strived towards when reaching the objectives. The companies state these benefits in different ways, but the meaning is the same.

When it comes the benefit regarding that industrial customers will be more inclined to trade with the company, IKEA and Electrolux are not totally agreeing with each other. Electrolux on one hand sees this as a strong benefit, but IKEA on the other hand do not regard this benefit as important mostly due to that they do not focus so much on B2B customers.

To have a willingness from shareholders to invest in the company is a benefit that the two companies disagree in. IKEA does not see this as benefit because they are not listed on
the stock exchange and they do not search for investors. Electrolux on the other hand is listed on the stock exchange and do consider this benefit to be important.

IKEA and Electrolux do not view benefits concerning the employees, which are listed on table 6.1, in the same way. Regarding the benefit of attracting potential employees, both companies saw this as a benefit. Attracting tiptop personnel, is seen differently, while Electrolux wants to attract these type of personnel with a favorable image and/or reputation, IKEA is more concerned about attracting competent personnel. That the objectives will have the benefit of motivating the personnel was not mentioned by either of the companies’ respondent. Guiding personnel was only mentioned by IKEA, but in a different context, but not mentioned at all by Electrolux.

Having governments to adjust the legal framework in order to benefit the companies, was not seen as a benefit by both companies instead they were more into that their favorable image and reputation would communicate that the companies were good citizens that cared about its surroundings.

Both companies have the same opinion about the potential benefits of being different, visible and protected from competitors in a competitive commercial environment when the objectives are reached. IKEA and Electrolux regard these benefits to be important ones and something that they strive towards.

6.2.2 Cross case analysis – research question two

Table 6.2 displays the respondents’ opinion on the risks when dealing with the corporate identity management. In the table the respondents’ have been coded. As a reminder the coding system is explained below:

0 0 : Indicates that the respondent did not express an opinion regarding this variable.
- - : Indicates that the respondent disagreed with previous research.
- + : Indicates that the respondent interpreted the variable differently and gave his/her own view on the matter.
+ - : Indicates that the respondent partly agrees with previous research.
++ : Indicates that the respondent agreed with previous research.

<table>
<thead>
<tr>
<th>Risks</th>
<th>IKEA Swedish Sales AB</th>
<th>Electrolux AB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of consistency</td>
<td>-+</td>
<td>00</td>
</tr>
<tr>
<td>Unsuitable identity</td>
<td>++</td>
<td>00</td>
</tr>
<tr>
<td>Favorable image vs. unfavorable identity</td>
<td>00</td>
<td>00</td>
</tr>
<tr>
<td>Mismanagement</td>
<td>+-</td>
<td>+-</td>
</tr>
</tbody>
</table>

Table 6.2: Risks
Lack of a clear or consistent CI is a risk in terms of different view and expectations of different employee groups that leads to confusion amongst other stakeholders, when dealing with different groups of employees. Neither of the companies agree with this risk, while Electrolux respondent does not mention this at all as risk, IKEA’s respondent sees it from another point of view. According to the respondent from IKEA the risk is that the employee will not be able to handle the manual and this will lead to a lack of a clear or consistent CI.

That an unsuitable identity can only mislead and get in the way of the company is seen as a risk by IKEA and not by Electrolux. IKEA sees that the risk with an unsuitable identity is that it will lead to a failed communication, which would mean that no one has understood what IKEA wants to communicate. Electrolux does not mention this at all when they talk about risks. Neither of the companies mentions anything of the risk of having a favorable image and an unfavorable identity.

Confusing the company’s audiences, under-perform in their markets and unconsciously contribute to the formation of negative reputations are risks with a lack of CIM and this is partly agreed by both companies. Both agree that if the corporate identity is not managed there is a risk that the competition will take their customers as a consequence of this and therefore under-perform. Electrolux further explains that this happens because their customers will not have a clear image of the company. Furthermore, Electrolux also sees the risk of other companies tying up the most competent people.

6.2.3 Cross-case analysis – research question three

In this section the selected company’s views on considerations when managing a corporate identity will be compared to each other. In table 6.3 the Total Corporate Communication tools are displayed. As a reminder the coding system is explained below:

0 0 : Indicates that the respondent did not express an opinion regarding this variable.
- - : Indicates that the respondent disagreed with previous research.
- + : Indicates that the respondent interpreted the variable differently and gave his/her own view on the matter.
+ - : Indicates that the respondent partly agrees with previous research.
++ : Indicates that the respondent agreed with previous research.
Table 6.3: Total Corporate Communication tools used by the companies

<table>
<thead>
<tr>
<th>Total Corporate Communication</th>
<th>IKEA Swedish Sales AB</th>
<th>Electrolux AB</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Primary communication</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Products and services</td>
<td>++</td>
<td>++</td>
</tr>
<tr>
<td>Market behavior</td>
<td>++</td>
<td>++</td>
</tr>
<tr>
<td>Behavior towards employees</td>
<td>++</td>
<td>++</td>
</tr>
<tr>
<td>Employees’ behavior to other stakeholders</td>
<td>++</td>
<td>++</td>
</tr>
<tr>
<td>Non-market behavior</td>
<td>++</td>
<td>00</td>
</tr>
<tr>
<td><strong>Secondary Communication</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Formal, Corporate and Communications</td>
<td>++</td>
<td>++</td>
</tr>
<tr>
<td>Visual identification system</td>
<td>++</td>
<td>++</td>
</tr>
<tr>
<td><strong>Tertiary Communication</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Word-of-mouth</td>
<td>++</td>
<td>++</td>
</tr>
<tr>
<td>Media interpretation and spin</td>
<td>++</td>
<td>++</td>
</tr>
<tr>
<td>Competitors-Communication and “spin”</td>
<td>++</td>
<td>++</td>
</tr>
</tbody>
</table>

When it comes to the tools used in the primary communication of the TCC displayed in table 6.3, the companies uses most of them but differ in the use of non-market behavior. IKEA’s and Electrolux’s products communicate what the company stands for. The price of the companies’ products is a market behavior that also communicates some of the corporate identity. The both companies’ know that their behavior towards their employees is a way of communicating their corporate identity and do use this tool. Even more important for the company is that their employees’ behavior to other stakeholders is in accordance with the image the company wants their stakeholders to have, since the behavior of the employees communicates the corporate identity. While IKEA carry out non-market activities that communicate a good image of the company, Electrolux does not mention anything about these types of activities.

Both IKEA and Electrolux use the communication tools in the secondary communication, as displayed in table 6.3. When it comes to formal, corporate and communications, both companies uses this as a tool to communicate their corporate identities, but they do not always use the same tools. IKEA on one hand uses catalogues, IKEA Family Club, sponsorship, advertising through TV-commercials and print ads in the daily press when communicating to their customers. Electrolux on the other hand only mentions the use of advertising through TV-commercials and print ads in the daily press when communicating the corporate identity through these tools. Press release in their homepages on the Internet is used by both companies when communicating, among other
things the corporate identity, to the media. Regarding the visual identification system, both companies also use this type of communication when communicating the corporate identity, but its importance differentiates between the two companies. The store layout and the graphic design of these are used by both companies when communicating their corporate identities, but IKEA pays a lot more of importance to this tool that Electrolux and considers it vital in communicating the corporate identity. IKEA sees their homepage on the Internet as having similar functions as their stores and this is a reason for the company giving it a lot of attention, but Electrolux does not mention if their homepage has similar function. When it comes to the use of the company logo both companies gives it a great importance and have clear rules on how to use this.

Tertiary communication tools are something that both IKEA and Electrolux are aware of that they communicate the corporate identity although the company does not have control of these tools. A favorable word-of-mouth is something that IKEA usually counts on when establishing abroad, as the company sees it as a strong tool when communicating the corporate identity. Electrolux on the other hand also gives the word-of-mouth an important role but not as much as IKEA. Both IKEA and Electrolux are aware of the importance concerning what the media says about them can have on their corporate identity. Unlike Electrolux, IKEA do influence some of the media, since they are often asked to participate by the home furnishing media and seize this opportunity mostly in the purpose of product placement. IKEA and Electrolux feel that the competitors’ communication affects them from a sales point of view, but not their corporate identity. Although both companies keep track of what the competitors communicate, it is only IKEA’s communication of the corporate identity that is somehow affected by the competitors’ communication, since the respondent in IKEA state that the company always has to be on their feet as a consequence of the increasing competition.

Table 6.4 displays what the company must consider when dealing with their stakeholders. As a reminder the coding system is explained below:

0 0 : Indicates that the respondent did not express an opinion regarding this variable.
- - : Indicates that the respondent disagreed with previous research.
- + : Indicates that the respondent interpreted the variable differently and gave his/her own view on the matter.
+ - : Indicates that the respondent partly agrees with previous research.
++ : Indicates that the respondent agreed with previous research.

Table 6.4: Considerations regarding the stakeholders

<table>
<thead>
<tr>
<th>Considerations concerning stakeholders</th>
<th>IKEA</th>
<th>Electrolux</th>
</tr>
</thead>
<tbody>
<tr>
<td>Different stakeholders</td>
<td>++</td>
<td>++</td>
</tr>
<tr>
<td>Priority/dominant stakeholders</td>
<td>++</td>
<td>++</td>
</tr>
<tr>
<td>Relationships with the stakeholders</td>
<td>++</td>
<td>++</td>
</tr>
</tbody>
</table>
Concerning the significance to be aware of the different stakeholders and the importance of these as the perceptions of the stakeholder groups will vary, both IKEA and Electrolux are aware of this. Both companies are aware of their main stakeholders; although they do have similar main stakeholder groups they have not entirely the same. Electrolux has shareholders as an important group, which IKEA has not. On the other hand IKEA has NGO’s as an important stakeholder, which Electrolux does not mention. Both companies are aware of the importance for the company of the different stakeholder groups.

Both companies know which stakeholder groups to prioritize, but the stakeholders that they prioritize differ. IKEA’s main priority when it comes to stakeholders is the customers and the responded state that everything that is done must be done in order to benefit these. Secondly for IKEA are the employees, because they are the ones that do IKEA to what it is. The media and NGO’s also seems to be more dominant in importance than other stakeholder groups to IKEA. As IKEA, Electrolux sees consumers and employees as dominant stakeholder groups. The importance of prioritizing consumers has increased in the company, since they are aware that it is needed. Employees have as consumers also increased in importance as a result of the more market driven orientation of the company. Retailers and shareholders are also two stakeholder groups that are prioritized by the company, since they are more important for the company’s success than others stakeholder groups. In case of a conflict between the stakeholders’ demands on the company, both IKEA and Electrolux know which stakeholders to prioritize.

When it comes to knowing the needs and wants of the stakeholder groups, both companies are aware of these. In order to know the customers’ wants and needs, both IKEA and Electrolux conduce some type of surveys but also other similar activities. Concerning employees, IKEA recruits people with specific needs and wants that match the company’s business concept, while Electrolux is aware that it has to be aware of these needs and wants in order to attract, develop and retain their personnel. Regarding investors, IKEA has franchises and Electrolux has shareholders, but these stakeholder groups have different needs and wants. When it comes to the medias needs and wants, both companies try to satisfy the medias need of information by having press releases on their homepage, but IKEA in contrary to Electrolux has requests by some medias, which they try to fulfill.

When it comes to try to have a type of desired relationship with the stakeholders, IKEA and Electrolux are aware that it is important to have good relationships with the stakeholders and try to have it. IKEA focuses much on keeping good relationships with their most important stakeholder, customers, in order to give them a good image about the company. A good relationship is also kept with other stakeholders but not as extensive as the one with IKEA’s customers. The respondent from Electrolux on the other hand claims that the company tries to maintain a good relationship with all their different stakeholders in order to maintain them loyal to the company or/and give them a desired image of the company. Both companies have different type of relationships with their stakeholders and give them different type of information because of the difference in the relationships.
7 Findings and Conclusions

The last and final chapter of this thesis will contain a presentation of the answers to the research questions posed in Chapter One. The three research questions are discussed separately, following the same order as throughout the thesis. The overall reflections concerning each research question are given as well as a few conclusions that are relevant in this study. After having discussed the research questions in this manner, conclusions of the overall purpose of this thesis are given. In the end of this chapter, implications for this research is given, starting with implications for management, followed by implications for theory, and at last ending with implications for future research.

7.1 Findings

In order to give the conclusions of this thesis, the three research question are answered, and therefore by answering them, the research problem posed in Chapter One is being answered. The research purpose was formulated as follows: “To gaining a deeper understanding of how an international organization manages its corporate identity?” By answering this question it becomes possible to understand how the investigated companies IKEA and Electrolux manage their corporate identities. However, before making such an overall conclusion, each research question is reflected upon in the following sections.

7.1.1 How can the objectives of managing a corporate identity be described?

When reviewing the first research question in this thesis, the findings concerning this are that the two objectives, which are a favorable image and favorable reputation, are valid. The two objectives importance is quite clear, because of the benefits that the companies receive when the objectives are reached.

There are many benefits that can be gained when reaching the two objectives. The benefits companies strive for seem to depend mostly on which stakeholders the companies have and the importance of these.

Benefits as making consumers incline to use the company’s products, add value to the company’s products, create consumer confidence and keep consumers loyal to the company are important for the companies. These benefits are all linked to the sales of the companies’ product and seem to be important because by having these benefits companies can increase and/or in the current cases keep their high sales.

As expected the benefit of increasing trade is seen as more important depending on how important the industrial customers are for the company. A company that is on the stock exchange seems to experience the benefit of attracting potential investors as very important.
There are important benefits to gain regarding employees. Most important seems to be that with a favorable image and reputation it will become easier to attract potential employees. The type of employees that companies want to attract, as tip top personnel, seems to depend on what type of business a company is active in. That the objectives can give the benefits of motivating and guiding the personnel is not something considered by companies, other means seems to be used in order to try to achieve these.

Make governments incline to provide a legal framework that is of advantage to a company is not a benefit seen by companies, instead they hope that a favorable image and reputation of the company will project the image of a company that follows the legal framework and is a good citizen.

The benefit of differentiation is highly regarded by companies, which feel that it is important to be seen as different from their competitors, because this makes a company visible and also protects the company from the competitors.

The conclusions that have been found based on the analysis and the findings for research question one are the following:
- The two objectives are important because of the benefits companies can gain from them.
- The type of stakeholders a company have and the importance of these are what mostly decide which benefits a company strives for.
- Benefits linked to the sales of the company's products are of importance to the companies.
- The benefits of increasing trade and attract potential investors are important, but not for all companies.
- Regarding employees the most important benefit is to attract potential employees, to attract tip top personnel is also important but depends mostly on what type of business companies does.
- The benefit of having sympathetic legal framework is not something considered by the companies.
- Differentiation is a very important benefit, because it makes the company visible, makes it to be seen as different from its competitors and protects them from the competition.

7.1.2 How can the risks with a lack of corporate identity management be described?

Multinational companies seem to have a clear and consistent corporate identity throughout their organization, which means that the risks with a lack of a clear or consistent identity are not a topic. Although it is considered by some to be a risk and seems to have a stronger importance when a company establishes in a new market. In order to avoid this risk, the right people with adequate training is sent.

All companies do not acknowledge the risk with an unsuitable identity or maybe it is just not of concern since the companies investigated have a strong corporate identity that they do not feel is unsuitable and instead very suitable.
The risk with not actively managing the corporate identity is that if a company eases up on the management through the communication of the corporate identity there is a great risk that competitors will take market shares from them and also be more attractive to potential employees.

The conclusions that have been deduced based on the analysis and the findings for research question two are the following:
- For multinationals the risks with a lack of a clear or consistent corporate identity does not seem to be an issue since they got it well covered.
- Multinational companies do not consider the risks with unsuitable identities possibly because they have a strong identity that is considered suitable.
- Loosing market shares and become less attractive to potential employees are the biggest risks with a no active management of the corporate identity.

7.1.3 What must a company consider when managing its corporate identity?

Primary communication tools as the products and services, market behavior, behavior towards employees and employees’ behavior to other stakeholders are highly regarded by companies when communicating their corporate identity. The use of these tools differs when communicating the corporate identity depending on the line of business of the company and the corporate identity. If the company interacts directly with its customers, some tools seem to gain importance as the employees’ behavior towards these. Furthermore the behavior towards employees also communicates the corporate identity, wanting to attract and have tip top personnel may give the image of a company that wants high quality in its activities. On the other hand a company that try to keep their costs as low as possible by letting their personnel only fly economy class when doing business trips may communicate a company that tries to keep their costs low in order to have lower prices on products.

Secondary communication, which is formal, corporate and communications and visual identification systems seem to be of great importance when companies communicate their corporate identity, specially when communicating to potential customers. Its importance could depend on the fact that this is the type of communication that is almost totally controlled by the companies, although there are important differences. In one case the company focus more on communicating its corporate identity through advertising in the form of TV-commercials and print advertising in the daily press and uses mostly the visual identification system, in the form of the logo, when communicating through this channels. The other one on the other hand gives more importance to the visual identification system, through its stores and to a lesser degree the logo, when communicating its corporate identity. The differences seem to depend on the line of business a company is active in and the structure of the market.

Companies are aware of the importance of the tertiary communication tools and try to supervise the information spread through this communication channel. The type of word-of-mouth the companies are more concerned about is the one between customers. Although companies do not have control over this tool, they count on its effectiveness
and try to influence it, by giving the customers a good experience when interacting with the company or when using the company’s products. Media is a tool that companies do not have control over and therefore they mostly limit themselves to observe what media is saying about them. If something important comes up that can influence the corporate identity, the companies have to take some kind of action. Coverage of the competitors’ communication is mostly observed because it could affect the company’s market share, but companies do not feel that it influence the image and therefore, not either the corporate identity communication.

Companies are very aware of their different stakeholders, the needs and wants of these and the importance the stakeholders have for the company. The stakeholders differ between companies and also the importance of these. Main stakeholders that companies seem to have in common are B2C and B2B customers, employees, suppliers and media. Companies prioritize stakeholders depending on the importance these have for the success of the company. The two most important and prioritized stakeholder groups seem to be customers and employees, but the other stakeholders are not ignored. Although companies do prioritize, they try to fulfill all their main stakeholders needs and the good relationships with the stakeholders could contribute to no appearance of conflicts. Companies know what type of information to give their stakeholders thanks to the good relationships they have with them. Good relationships are kept with the stakeholders in order to give these a good image of the company.

The conclusions that have been drawn based on the analysis and the findings for research question three are the following:
- Primary communication tools are highly regarded by companies and the use of these differ depending on the line of business and the corporate identity.
- The importance of the secondary communication could be that it is almost totally controlled by the companies, although its use differs depending on the line of business and the structure of the market.
- Although companies do not have control over the tertiary communication they try to supervise its flow of information and influence it, because they are aware of its importance.
- Stakeholders and their importance differ between companies. The two most prioritized seem to be customers and employees, but companies try to satisfy all their main stakeholders needs.

7.1.4 Overall conclusions on the research problem

When giving the overall conclusions of the research problem, that is, “how an international organization manages its corporate identity”, the sum of the three research questions will act as a base.

It is important that companies are aware of why they should manage their corporate identity. By setting up objectives and knowing which benefits will be gained is important and this must serve as a direction when managing the corporate identity. Looking at the
findings the conclusion can be drawn that the companies know why they are managing their corporate identity.

The same conclusions can be drawn for the risks, as sometimes the risks could be what drive a company to do an activity in order to avoid potential risks. The findings did not suggest such a thing but as said earlier it is the objectives and benefits of these that are of importance to the companies.

All the tools in the TCC communicate the corporate identity and it is up to the companies to control or supervise these tools, so that the desired corporate identity stays in their stakeholders’ minds.

Regarding the stakeholders, the importance of these when managing a corporate identity cannot be denied, since without them the company would not function or be able to exist. All stakeholders are not that crucial to the companies, but the importance of these varies except for customers and employees that are always of great importance to companies. This implies that a company always must be aware of their stakeholders and also know which are of importance to the company so that the information can be concentrated or adjusted to these.

7.2 Implications

The research problem of this thesis was to throw light upon how international organizations manage its corporate identity. This section covers the implications for management, which are suggestions for the management of how to manage an identity. Implications for theory as well as for future research are also given in the following sections.

7.2.1 Implications for management

In this field of research, which is the corporate identity field, the objectives and benefits of these and risks should be obvious to the company. Companies should be aware of what they strive for and the reasons why they manage their corporate identities. Looking at the two cases it can be concluded that the companies know why they manage their identities. The suggestion to management is to know which objections and benefits to strive for when managing the corporate identity in order to convince themselves and others why the management of their corporate identity is important.

Regarding corporate communication, it is important to know that as the total corporate communication theory said, a company’s identity can be communicated through all its tools. This is something that companies are aware of and it is important that the management of the corporate identity is fully aware of this. The communication is the final step in which the stakeholders become aware of the corporate identity and a bad management of this would mean that the stakeholders would not have the same view of the corporate identity as the company has.
As for stakeholders, these are the ones that a company cannot forget to have in mind when managing the corporate identity. In order to manage the identity more efficiently it is of importance that the company and its management know which groups of stakeholders are important and the needs and wants of these.

7.2.2 Implications for theory

The purpose of the thesis has been descriptive and exploratory concerning how an international organization manages its corporate identity. A deeper understanding in the subject has been received by doing this. To answer our research questions we have investigated how the objectives of a corporate identity management can be described, how the risks of lacking a corporate identity management can be described, what a company must consider when managing its corporate identity. From this we drew conclusions and described our findings.

This thesis contribution to theory is based on empirical studies of the investigated phenomenon in two case studies and can serve as a basis for further research as the findings in this thesis verifies most of the previous research and therefore also confirming the subjects’ importance.

7.2.3 Implications for future research

Internet seems to be a communication channel through which the most stakeholders are reached, since there is much information that is directed at the different stakeholders. An interesting study would be how important the Internet is becoming in spreading information about a company’s corporate identity.

It would be interesting to know how the much the image a stakeholder group has about a company differs from the corporate identity. Therefore a focus group interview could be done with potential customers that give their image of the company and compare this to the corporate identity.

The corporate identities management does to a great extent also incorporate the use of visual and graphic. It is often used in corporate communication. A study of the actual symbol of a company and how it is graphically presented to the stakeholders would thus be an interesting topic for future research.

The communication tools that a company use to communicate its corporate identity are many. It would be interesting to know which tools are used for which stakeholder groups. By knowing these, an even more effective management of the corporate identity could be done.

Some suggestions on interesting questions for future research are proposed that can be investigated are summarized here below:
Conclusions and Implications

- What is the importance of the Internet when communicating the corporate identity?
- How much does the image customers have of a company differ from the corporate identity?
- How to communicate corporate identity visually and graphically?
- What tools should be used when communicating with the different stakeholder groups?
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Appendix A. Interview Guide (English version)

1. Company Presentation

2. Information regarding the respondent
   A. Name
   B. Position
   C. Length of employment

3. How can you describe the objectives and benefits with managing the corporate identity?
   A. Image
   B. Reputation
   C. Products (customers)
   D. Trade (industrial customers)
   E. Stocks (shareholders)
   F. Personnel
   G. Legal framework
   H. Differentiate from competitors (competitive advantage)

4. What risks can you describe of a lack or bad management of the corporate identity?
   A. Unsuitable identity
   B. Risks of mismanagement (or lack of consistency)
   C. Risks of a lack of management
   D. Good image vs. Bad identity

5. What must be considered when managing the corporate identity regarding the stakeholders?
   A. Different stakeholders
   B. Priority/dominant stakeholders
   C. Expectations, needs and wants
   D. Different relationships
   E. Conflict

6. How do you communicate your corporate identity?
   A. Primary Communication
      - Products and services
      - Market behaviour
      - Behaviour towards employees
      - Employees behaviour to other stakeholders
- Non-market behaviour

B. Secondary Communication
- Formal, Corporate and Communications
- Visual identification system

C. Tertiary Communication
- Word-of-mouth
- Media interpretation and spin
- Competitors-Communication and “spin”
Appendix B. Intervju Guide (Svensk version)

1. Företagsfakta

2. Fakta angående respondenten
   A. Namn
   B. Affärsområde
   C. Antal år inom företaget

3. Hur kan ni beskriva eran mål och fördelar med att hantera företagsidentitet?
   A. Image
   B. Rykte

   C. Produkter (kunder)
   D. Handel (industriella kunder)
   E. Aktier (aktieägare)
   F. Personal
   G. Lagliga rammar
   H. Differentiera sig från konkurrenterna (konkurrens fördelar)

4. Vilka risker kan ni nämna och förklara som beror på bristande hantering av företagsidentitet?
   A. Opassande identitet
   B. Risker av misshantering (eller bristande av kontinuerlighet)
   C. Risk av bristande hantering
   D. Bra image vs. dålig identitet

5. Vad måste tas till hänsyn när hantering av företagsidentitet med tanke på intressenterna?
   A. Olika intressenter
   B. Prioritet/dominerande intressenter
   C. Förväntningar, krav och behov
   D. Olika relationer
   E. Konflikt

6. Hur ni kommunicerar er företagsidentitet?
   A. Primär kommunikation
      - Produkter och service
      - Marknads beteende
      - Beteende gentemot anställda
      - Anställdas beteende gentemot andra intressenter
- Icke-marknads beteende

B. Sekundär kommunikation
   - Formell, Företag och Kommunikationer
   - Visuell identifikations system (Grafiska)

C. Tredjepartners kommunikation
   - Word-of-mouth/hörsägen
   - Media tolkning (vad media säger till andra och hur de tolkar dem)
   - Konkurrenter - Kommunikation