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## **CORPORATE COMMUNICATIONS: INTERNAL AND EXTERNAL BRANDING ASPECTS**

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Every organized entity, from public organizations to commercial enterprises of a different size, needs to have a clear aim and it has to be able to communicate this to its internal and external stakeholders. It is clear that in organizations of a public character it is being done very slowly and not always very efficient. However, commercial organizations have to do it quite often and this is connected mainly with the fact that they are more dynamic by their nature. Dynamic nature of this type of enterprises envisages not only frequent communication, but also communication on a regular basis. Branding helps to represent companies' identity and to communicate their main aim more efficiently than any other communication tools (for instance, Public Relations or advertising). Unlike other short-term communication tools (advertisement, special campaign, event management) branding is a long-term tool. Currently, branding is always understood as a strategy-level instrument of any business entity.

Modern life can be characterized by society demand to experience long-term effects, thus creating a brand which would create a way of life is one of the competitive advantages a company might have in its activities.

One can see that many companies strive for brand loyalty which is basically the result of the above-mentioned trend in demand. Companies are in favour of loyalty because consumers want long-term relationships with companies, with brands.

The article is aimed at research and analysis of existing organization communication theories as well analysis of a case study of Singapore Airlines as an example of integrated branding approach. The main methods used in research are general scientific methods such as analysis of theoretical and practical information on the above-mentioned project topic.

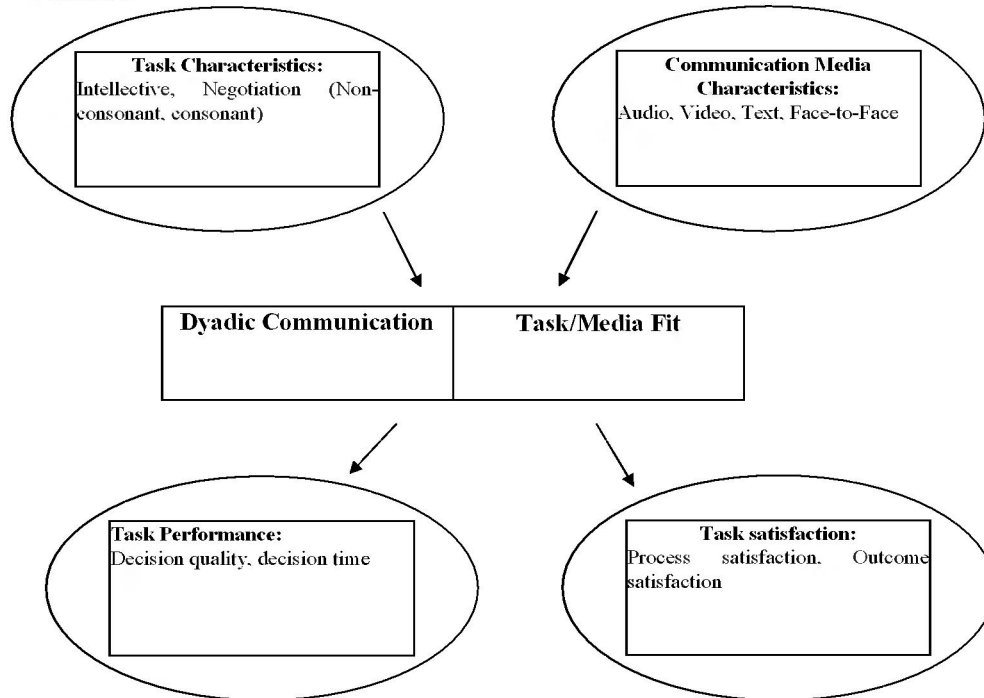
Companies are always in need of communication process, this makes a company the company. Different theories of organizational communication build the basis for corporate communications idea. "Corporate communications should be based on corporate mission. If a company already has its philosophy (answer to the question – Why to produce?), it should explain the reasons of its activities to target groups at the market)" [7, p.140].

There are different explanatory theories of organization communication which describe the framework of branding by explaining interconnection between external image and internal climate of an organization.

Schneider attraction-selection-attrition framework theory says that "the people make the place" and that organizational culture, climate and practices are determined by the people in the organization. This theory is closely related to psychology. This theory is part of the socialization process, whereby new members in organizations according to the framework fit in a specific organization. Schneider already mentioned that the person is particularly important in the organizational context. Schneider added the dimension that the people are responsible for the structure, processes and culture of the organization [18, p.437].

Main assumption and statements of the above-mentioned theory are that attributes of people, not the nature of external environment, or organizational technology, or organizational structure,

## Annex 1



**Figure 1. Conceptual model (Media richness theory)**

The criteria are:

- 1) The availability of instant feedback.
- 2) The capacity of the medium to transmit multiple cues such as body language, voice tone, and inflection.
- 3) The use of natural language.
- 4) The personal focus of the medium. Face-to-face communication is the richest communication medium in the hierarchy followed by telephone, electronic mail, letter, note, memo, special report, and finally, flier and bulletin.

From a strategic management perspective, the media richness theory suggests that effective managers make rational choices matching a particular communication medium to a specific task or objective and to the degree of richness required by that task.

Thus, one can see three main issues within the framework of corporate communications which are based on the above-mentioned theories of organization communication: employees and other stakeholders' importance within organization, media of communication and aim of an organization. Brand is a complex idea which includes all these aspects. The conclusion is that if one needs a successful organization (which delivers to its internal and external stakeholders its aim with as little loss as possible), he should not underestimate the importance of a brand and the role of corporate communications.

Many researchers define brand as a set of tangible and intangible assets which influences the success of a company and creates a competitive advantage. Communication helps to unite them and bring a brand-message according to the aim of organization existence to its employees and external audience.

Generally speaking brand can be defined as a name, sign or symbol or any other characteristic which would differentiate a good or service from other goods or services (American Marketing Association). Brand is defined as a trade mark, goods of a particular make: a mark of identification made with a hot iron, the iron used for this: a piece of burning or charred wood [3, p.13]. Moreover, it is known that employees' loyalty is quite important in terms of brand success. Employees who identify strongly with their organization, with their brand are more likely to show a supportive attitude toward it and to make decisions that are consistent with organizational objectives. Organizational identification may induce employees to behave in accordance with the company's identity, reputation and strategy. In selecting appropriate tools to enhance identification, managers should know their employees' needs and motivations for identification with the organization and they should always communicate the situation of a brand status. Corporate communications, in its turn, should have a nature of a constant dialogue internally and externally, it should sustain an integrated branding strategy [1, p.18].

Human resources academics may have overlooked the branding-HR (human resources) relationship. It seems to have caught up, rather belatedly, with the 'culture-excellence' literature that dominated much of management and organizational thinking and practice during the 1980s and 1990s. This focus on culture as a source and driver of success has resurfaced periodically during the last two decades and has influenced many of the 'business guru' writers, such as Pascale, Kotter and Heskett, and academics such as Martin [11,13,15].

Corporate reputation research has its own interdisciplinary journal, body of scholars, a Corporate Reputation Institute and a literature that brings together marketing, organizational studies, communications and strategic management [5, p.35]. The academic interest in corporate reputation grew out of the branding literature in the 1990s and the earlier work by Albert and Whetten and others on organizational identity [2, p.263]. What has characterised this work is its focus on the reciprocal relationship between two core concepts – external image and internal organizational identity. It is argued that corporate reputation is formed by significant interactions between an organisation's representatives and the outside world. Building on this notion, there are three dimensions to the formation of a reputation [19, p.45]. First, informal interactions among stakeholders, for example through sales meetings, employee story-telling or accounts from satisfied or dissatisfied customers. These incidents strongly influence an organization's reputation or external image but are largely uncontrollable. Second, reputations are increasingly formed by the business press, such as the rankings of the best places to work and industry press ratings of organizations. Third, such reputations are formed not only by existing stakeholders, such as current customers and employees, but also by potential stakeholders, such as possible recruits, shareholders and other funders, government organizations and the community at large. Thus a corporate brand reputation is defined in terms of the results of the interaction between the objective and subjective evaluations of existing and potential stakeholders, a broader concept of what is traditionally meant by corporate brand image.

Drawing on this discussion of the corporate reputation literature and the core concepts of internal identity and external image, it is possible to map out a relationship involving the links between HR and branding. It is clear from Figure 2 (see Annex 2) just how important employee views are in constructing organizational identities and image. Employees construct an identity of their organizations directly through their experience and also through their impressions of what external stakeholders think about their organizations, i.e. through the interaction between their own subjective impressions and the ways in which outsiders talk about their organizations. The views of past and potential employees are also relevant in

building brand images and reputations. Organizational identity is being defined in terms of two related bodies of literature. The first is the perceptions employees have of their psychological contracts – what they expect, what is on offer and what is actually delivered, including fairness and just treatment [16, p.55]. The second is the work by Davies on stakeholder perceptions of the organization's personality, a construct borrowed from the psychology literature to describe generic organizational personality types. This latter concept is of interest because perceptions of organizational 'personality' by external and internal stakeholders can be shared using the same constructs. Thus an organization can be seen as agreeable and trustworthy, enterprising, competent, masculine, ruthless or informal, or some combination of these types by customers and employees alike. To the extent that organizations wish to incorporate or avoid these personality types in their external and internal images and identities, the same questions can be asked of all stakeholders. Using the same constructs and same questions internally and externally allows for a genuine test of a key aspect of alignment that is not possible when testing for identification through employee engagement or commitment scales alone.

Graeme Martin, Phillip Beaumont, Rosalind Doig and Judy Pate developed a model (see Annex 2, figure 2) which emphasizes the importance of HR and brand interaction via corporate communications' tools [12, p.76]. They also suggested that HR practices can work through organizational identity and brand image to establish strong brand reputations. These HR practices include:

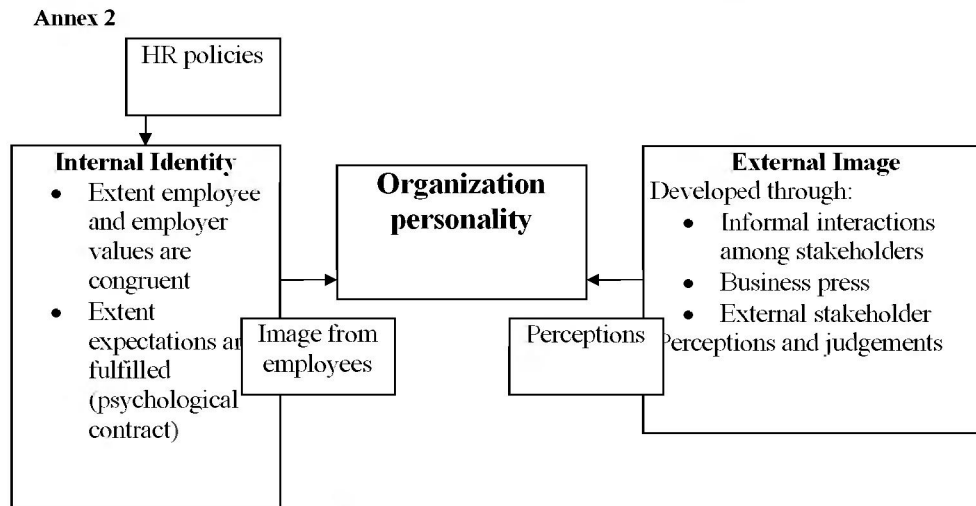
- 1) The balance of the psychological contract between ideological (the extent to which people are being asked to commit to a higher order cause), relational (old style security and careers) and transactional (pay, employability etc) elements.
- 2) The existence of an employer of choice policy.
- 3) Employment proposition, which contains a novel, compelling and credible message.

The above-mentioned research team highlighted that it would be important having a brand team to establish a unified and credible organizational perspective of the brand image and identity. The key aspects to reveal views on interaction between brand image and brand identity externally and internally are:

- 1) A strong and positive internal identity and brand will improve the external image and reputation of an organisation.
- 2) Internal identity can be established through the achievement of a positive psychological contract and the existence of sophisticated HR policies.
- 3) A branding message, which affectively results in external and internal identity, will be facilitated through the establishment of a comprehensive and coherent cross-functional branding team.

Thus corporate communications' aspects mainly involve such issues which are important for corporate identity reflection. Interbrand information web-site Brandchannel suggests the following definition of corporate identity: "Corporate identity at a minimum, is used to refer to the visual identity of a corporation (its logo, signage, etc.), but usually taken to mean an organization's presentation to its stakeholders and the means by which it differentiates itself from other organizations" [10]. This implies that companies should explain to its stakeholders what they are doing, what their aim of existence and business is and what their brand platform is (vision, mission, and corporate values). This can be done either in the way of internal or external communication with such efficient tools as PR, advertising, promotion campaigns or with the help of interpersonal communication. It must be emphasized that interpersonal communication is one of the most efficient ways of communication because it is quite easy to get a feedback and answers on questions straight away so this is an interactive advantage of communication. Interpersonal communication is a product of social-economic and

interpersonal relationships and all together a product of organizational structure of the company [8, p.74]. The basic scheme of interpersonal communication can be seen on the model (see Annex 3, figure 3) which was developed by DeVito [6, p.20].



**Figure 2. Mapping Internal Identity and External Image**

Analysing the practical framework of branding strategy implementation, one may consider a case of Singapore Airlines which reveals a successful combination of internal and external branding. If you think about one of the strongest brands from Asia and chances are that Singapore Airlines (SIA) and its long-serving, almost iconic Singapore Girl easily come to mind.

SIA has consistently been one of the most profitable airlines globally, and has always had the reputation of a trendsetter and industry challenger.

Martin Roll<sup>1</sup> says that there are several good reasons for this. Most relate directly to the strong brand management driven primarily by the SIA boardroom and top-management, and the healthy brand equity as the result of a dedicated, professional brand strategy throughout a diversified, global organization [14].

The Singapore Airlines brand has been instrumental for the airline from the early start. It serves as a best business case for other established brands as well as any aspiring brands. The Singapore Airlines brand is unique in the sense that the boardroom takes leadership of the brand strategy unlike many other Asian companies. Singapore Airlines began in 1947 as Malayan (later Malaysian) Airlines in a joint venture between the Malaysian and Singapore governments, serving primarily the South East Asian region. In 1965, Singapore separated from Malaysia, and later the two governments agreed to set up separate airlines. Singapore Airlines was born in 1972.

<sup>1</sup> CEO of Venture Republic, is a strategic advisor on Branding Excellence to corporate boards and top-management teams. He is an experienced international branding strategist, a renowned speaker and workshop host, and an advisor on Asian branding.

Annex 3

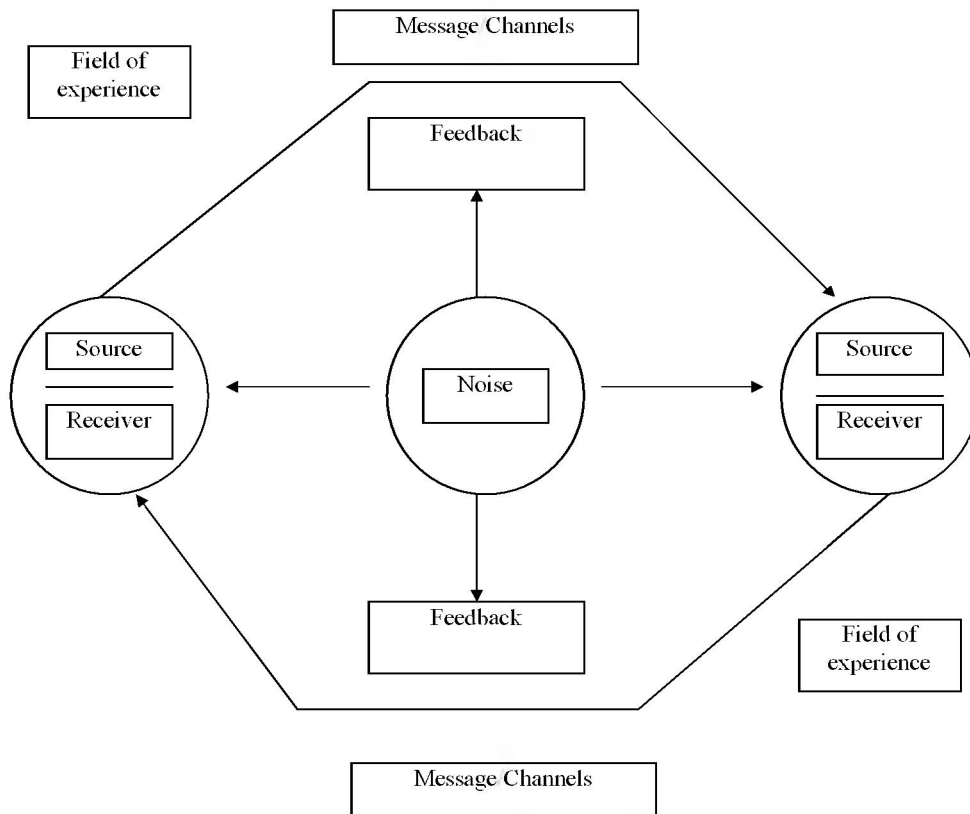


Figure 3. Basic scheme of interpersonal communication (DeVito)

Singapore Airlines was in a different position than most other airlines at the time. As there were no domestic routes to serve, it was forced to immediately start competing with international airlines for routes, getting access to airports, securing flight slots and landing rights, and attracting a new customer base. Unlike most state-owned entities, Singapore Airlines was subject to heavy competition from the onset; this tough start created a driving spirit to compete and also a dedication to branding, especially in the boardroom. These factors have prevailed within the organization since then, and served the airline very well. Singapore Airlines decided on a fully branded product/service differentiation strategy from the beginning. Innovation, best technology, genuine quality and excellent customer service were to become the major drivers of the brand.

Throughout the course of its 32-year history, Singapore Airlines has remained true to its brand attributes. It has pioneered many in-flight experiential and entertainment innovations, and strived to be best in class. SIA was the first to introduce hot meals, free alcoholic and non-alcoholic beverages, hot towels with a unique and patented scent, personal entertainment systems, and video-on-demand in all cabins. The company keeps driving innovation as an important part of the brand, and the cabin ambience and combined experience are key factors of its success.

On the technology side, Singapore Airlines still maintains the youngest fleet of aircraft among all major air carriers, and keeps to the stringent policy of replacing older aircrafts for newer, better models. It has always been first in line to take delivery of new aircraft types like Boeing 747 jumbo jets, Boeing 777, and it will become the first airline to fly the Airbus super jumbo A-380 in 2006. Even the aircrafts are sub-branded like 747-Megatop and 777-Jubilee to further distinguish SIA and its brand from competitors. Singapore Airlines also flew Concorde between Singapore and London in the late seventies in collaboration with British Airways (BA). The aircraft was painted with SIA's colours and logos on one side, and BA's on the other, and it carried crew from both airlines.

The strategy behind the technology program is clear: It enhances cost efficiency to use the latest aircrafts and at the same time, SIA uses these events for marketing purposes. An example of this was the new non-stop services to Los Angeles and New York launched in 2004, which attracted huge publicity in global media and kept the innovation promise of the brand alive. The special aircrafts for these long-range routes (Airbus A340-500) are sub-branded Leadership to further distinguish the brand promise.

Singapore Airlines recognizes that each innovation has a relatively short life span. Once other airlines adopt it, it is no longer considered "innovative." Therefore, SIA continues to invest heavily in R&D, innovation and technology as an integrated part of the business strategy to further differentiate itself.

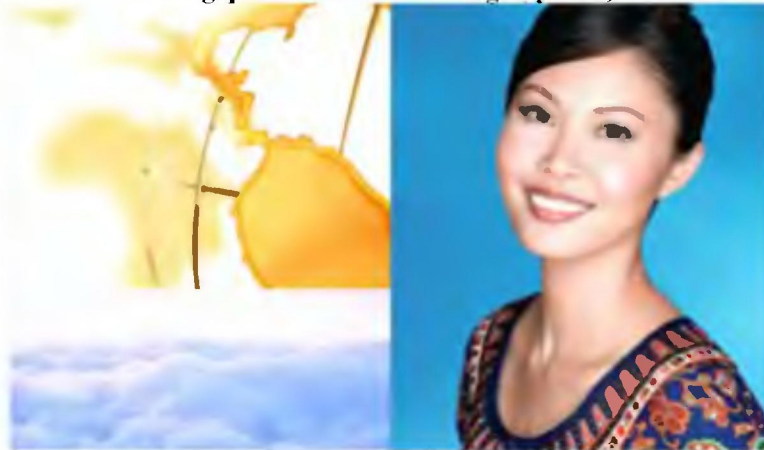
The personalization of the Singapore Airlines brand can be found in the cabin crew (male and female), where especially the flight stewardesses, commonly referred to as Singapore Girls have become very well known (see Annex 4). SIA engaged French haute-couture designer Pierre Balmain at the inauguration of the airline in 1972. He designed a special version of the Malay sarong kebaya as the uniform, which later became one of the most recognized signatures of the airline – a designated and visual part of the entire brand experience.

The Singapore Girl strategy turned out to be a very powerful idea and has become a successful brand icon with an almost mythical status and aura around her. She encapsulates Asian values and hospitality, and could be described as caring, warm, gentle, elegant and serene. The icon has become so strong that Madame Tussaud's Museum in London started to display the Singapore Girl in 1994 as the first commercial figure ever.

Annex 4



**Singapore Airlines official logo (symbol)**



**Singapore Airlines known brand symbol – a Singapore Girl**

Singapore Airlines also runs one of the most comprehensive and rigorous training programs for cabin and flight crew in the industry to make sure the SIA brand experience is fully and consistently delivered. Singapore Airlines has been as consistent in its communication vehicles as in its brand strategy. The primary message “Singapore Airlines – A Great Way to Fly” has been consistently conveyed in exclusive print media and also in selected TV-commercials of very high production value to underline the quality aspirations of the brand. All communication messages are featured through the iconic Singapore Girl in different themes and settings.

When Singapore Airlines recently launched its comfortable Space Bed seats in business class, it ran a 60-second commercial of a highly emotional and mythical character to underline the aspiration of the brand and the Singapore Girl.



Interestingly, the airline chooses to focus on one aspect of the experiential brand strategy (in-flight hospitality and warmth featured by the Singapore Girl) rather than trying to communicate the entire brand benefits through its messages. Many other brands fall into a dangerous trap when they try to communicate all at once. Singapore has remained focused and consistent message for the last 32 years, a great achievement for any brand.

The Singapore Girl has contributed immensely to the success of Singapore Airlines' brand strategy and its entire positioning around customer and service excellence.

The Singapore Girl is a good example on how efficiently to show that the company uses an integrated branding strategy – which means it involves and continuously shows that its main asset is its people and via them the company communicates its external branding aspects such as innovative approach, hospitality and other important brand experience tools. Moreover, this introduces aspects of employees' responsibility to manage and develop the brand of a company – Singapore Airlines.

In this view, corporate communications can be analyzed from two sides:

- how corporate values, mission and vision are being communicated within the company;
- how the brand of a company is being shown and what is more important seen by the outside (target or potential) audience, so in this regard, it concerns the image of a corporation.

Branding helps organizations, companies and people to appear as they want. This implies that such tools of branding as PR campaigns, ad campaigns, logo, design, claims, tag-lines and brand architecture of an organization can facilitate the process of a clear, transparent and efficient communication within the organization and of its image.

Such notions as reputation, image and other intangible assets become more and more valuable in a modern world. Branding helps in fulfilling the brand promise of a company.

In this regard, it is worth mentioning what brand is and which function it performs. This clarification is of a great importance in terms of understanding how the brand of a company should look like and how it should be perceived by its employees and target audience. However, it is important to remember that internal and external branding aspects should always go hand in hand and be consistent even at the time of changes.

It is clear that among any other communication tools internal branding strategy is best represented by interpersonal communication which makes things easier to comprehend within the companies and thus it organizes the employees in the direction necessary to keep a brand promise and sustain a brand strategy.

Corporate communications play a more important role within the framework of mass communication activities. This is driven by the trend of business becoming very influential in the society and thus it needs to lead a continuous dialogue with different agents of the audience.

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