GE Identity Program (A)

Richard Costello, manager of Corporate Marketing Communications at GE, sat in his darkened office, flashing image after image onto the wall. What he saw did not please him. He was reviewing images gathered from across GE’s wide range of businesses—images of advertising, packaging, in-house publications, brochures, stationery, etc. It was 1985, and Costello had recently become responsible for the GE monogram, a responsibility he had pursued, believing that the trademark drove the company’s image. Even though Costello knew it was time to review the use of GE’s 100-year-old logo, he was surprised at the range and lack of consistency in the images being projected. He began to formulate the case he would make to his superiors, and ultimately to GE’s chairman, Jack Welch, to fund a reexamination of the corporation’s identity.

Managing the identity of the largest diversified multinational company in the world was no small task. Founded by Thomas Edison, GE became a public company in 1892, about 20 years after the development of the light bulb. By the early 1980s GE held the number one or number two position in each of 14 key businesses ranging from aircraft engines and kitchen appliances to light bulbs, medical systems, and financial services. The company had 300,000 employees and grossed over $50 billion a year. An article in Fortune magazine described GE this way:

‘Few corporations are bigger; none is as complex. GE makes 65-cent light bulbs, 400,000-pound locomotives, and billion-dollar power plants. It manages more credit cards than American Express and owns more commercial aircraft than American Airlines. Of the 7 billion pounds of hamburger Americans tote home each year, 36 percent keeps fresh in GE refrigerators, and after dinner, one out of five couch potatoes tunes in GE’s network, NBC.’

In 1981, Jack Welch became Chairman and CEO of GE and began radically restructuring the company’s portfolio, selling off some of the most traditional businesses that were electrical, like the housewares business, small kitchen appliances, and televisions, and buying such diversified businesses as CGR, a French medical systems company, and NBC. Welch’s firm leadership transformed GE into a lean organization prepared to meet the challenges of the contemporary global marketplace. However, while Welch had turned the company around internally, from a visual standpoint, it looked like nothing had changed. The company’s visual and naming systems were not communicating the qualities that Welch was conveying through his actions.

Paul Van Orden, former Vice President of GE’s Consumer Sector, describes the motivation for the company to reconsider its identity:

We had done some research over time that indicated, first of all, that some aspects of the monogram and the identity program appeared less up-to-date than we would like. [Second], there was a subjective feeling among some of us that the “General Electric” approach appeared kind of old-fashioned. And the third element was the wide variation of application of terminology and business cards, letterheads, all that sort of thing. It was clear that everybody did pretty much as they pleased, so we were a long way from presenting any kind of a consistent face to our customers or to the public.

In addition, the company had become so diversified, that the name “General Electric” no longer appropriately expressed the range of the company’s products. The corporation had also purchased businesses with their own strong identities but had no system for evaluating how to integrate them into the corporation. For example, during the process of selecting a corporate identity consultant, the company acquired RCA, NBC, and Kidder Peabody. These acquisitions forced the company to face decisions it had not confronted before about how to associate well-known brands with the larger corporation.

Between the lack of visual consistency and the need for a system to deal with acquisitions, Richard Costello and Merle Bonthuis, Manager of Corporate Identity, had little trouble convincing senior management to fund a review of the company’s identity and to hire a corporate identity consultant. After reviewing eight prominent identity consultants, Landor Associates was selected based on the following criteria:

• Their expertise in corporate/subsidiary/acquisition identity systems

• Their international base

• A design portfolio which was varied and free from any style or “look”

• The chemistry, size, and vitality of the project team

• A strong marketing orientation
The bulk of Landor’s involvement took place over a two-year period. During the first six months of 1986, the project team carried out an extensive analysis of GE’s identity situation. They conducted 145 individual interviews with executives covering 23 cities in the U.S. and in every continent in which GE was involved, 21 operating units, selected ad agencies, and GE’s public relations firm. They reviewed all written information about the company that was relevant to image and identity matters and conducted a more extensive audit of visual materials to supplement Costello’s mini-audit. Finally, Landor conducted a very thorough multi-national research study to test awareness and perceptions of GE among both business and consumer audiences. The information gathered was analyzed to develop design and communications criteria, as well as to develop an innovative strategy for the company from an identity standpoint.

The support of top-level management was essential to the success of the GE identity program. In the words of Patrice Kavanaugh, Landor’s Account Manager on the project, “It’s critical when you’re involved in a corporate identity program that you’re working at the very highest levels within a corporation. All of our experience indicates that if the top executive is either not involved or not aware of what’s going on and supportive in the appropriate way, the program never goes anywhere.”

Paul Van Orden agreed:

Before you embark on the program, or sometime early in the program, you’ve got to get some sense that you’re going to get executive support. Senior executives identify themselves with what is and, for the most part, are somewhat reluctant to change identity unless you can demonstrate to them a compelling need. In our case, the most compelling need was internal, to get our act together and present a single face.

At GE, Jack Welch went beyond personally supporting and mandating the program. To develop as much upper management buy-in as possible in such a huge organization, Welch established what was called the Identity Advisory Council, comprised of the marketing or communications managers from each of the 14 primary businesses. Involved from the very beginning of the program, this group of approximately 25 individuals helped Landor set up management interviews at their respective businesses and provided the visual materials for the audit.

At every critical stage of the program, presentations were made to the Advisory Council before going on to senior management. This was a new way of working for Landor, who in most cases, reported to a single client contact. But Welch and his top managers knew that eventually the program would have to be rolled-out throughout a huge organization spanning many countries. They believed that the way to do this successfully would be to establish a task force and to involve them from the very beginning. “And they were absolutely right,” says Kavanaugh. “Since it proved so successful, we’ve actually been recommending to subsequent clients that they form a council at the very beginning and get them involved. It really does pay off in the long run to do that, if the company’s big enough to warrant it.”

Landor’s research focused, first of all, on awareness of GE among the business community and consumers. They asked such unaided questions as, “Name some major international corporations.” They found, not surprisingly, that GE had a phenomenally high awareness level among both businesses and consumers—a very strong asset to play upon. In terms of image, response was fairly consistent both internally and externally; the strength of the company was that it was very “solid” and “reliable,” but it was seen as being somewhat “old-fashioned” and was still known basically as an appliance and light bulb company. Comparing GE to other major U.S. corporations—AT&T, IBM, 3M—the research showed that perceptions of GE were high on the quality of reliability, but fell short in terms of dynamism and innovation. Even though the company was involved in a wide range of businesses, it was not being given credit for them. Improving perceptions of GE’s diversity became a critical objective of the program.

The company name held unquestionably high awareness. But General Electric, as a full name, was seen to be an increasingly inaccurate way to describe the company, because it wasn’t just in the electrical business anymore. In fact, only 25 percent of sales were derived from electrical businesses. The monogram itself, the GE symbol, was definitely seen as a symbol of reliability, but old-fashioned—not surprising since it had essentially remained unchanged since its introduction in 1896.

In one area, management perceptions differed from those of the marketplace: overall company image. Management knew that the company was very diverse, while externally, it was seen as being fairly narrow. Internally and externally there was agreement that the company did not have a terribly dynamic image, though this was in contradiction to the reality that Jack Welch was creating. The results of six months of management interviews, visual audits, and research were analyzed and program objectives established. Through both design and naming, the new identity system would:

- Broden awareness of GE’s diversity so that people would have a more accurate perception of the Company
- Maintain GE’s image of reliability and improve perception of its innovation and dynamism
• Unify the company’s visual and verbal expressions through a consistent and high-quality application of the contemporary program standards.

Landor spent the next six months developing an innovative identity strategy for the company, both visually and verbally, that would meet these objectives. This was the most extensive program ever undertaken by Landor; they built what they called a “GE War Room” in their San Francisco offices and explored a wide range of design options from evolutionary kinds of change to breakthrough design solutions. Since this was the first time in 100 years that the company had reviewed its identity, GE and the Landor project team agreed that management deserved to see a selection of alternatives spanning the full spectrum of ideas.

As the first year of the program was drawing to a close, Landor presented three alternative solutions, each fleshed out with comprehensive examples of typical media—package designs, letterhead designs, truck designs—so that the Advisory Council and Jack Welch could easily imagine the consequences of various degrees of change. The most revolutionary solution abstracted the letters “G” and “E” into an altogether new monogram.

Alternative number two placed the monogram’s script lettering into a square mark and used a more traditional typeface.

The third was an evolutionary change from the current GE identity (shown below). It left the monogram virtually intact, with very minor adjustments, and placed it in a new graphic environment with an italicized, sans serif typeface and a very fine “laser” line.

All three alternatives incorporated a single new naming scheme.

Case Questions

Imagine yourself in the position of Richard Costello. The three alternatives have been developed and presented by Landor Associates to upper management and the Identity Advisory Council, and you must recommend what you feel is the most appropriate solution. Your inclination is in the direction of revolutionary change. Management opinion is divided, and Welch has not indicated a preference. Landor would love to be known as the company that gave GE a totally new image, but isn’t sure it’s really the best thing for the company.

1. How much change does GE need to communicate through its identity system to change perceptions of the company?
2. What other corporate communication “levers” does GE have at its disposal to signal change?
4. What effect would a dramatic change have on internal morale, given that a number of key managers had “grown up” with the monogram and felt it was a rallying point for all employees?
5. How would the decision to change/not change affect GE’s global competitiveness?

Source: © 1992 Corporate Design Foundation. This case was written by Laurie Poklop under the direction of Peter Lawrence, Chairman, Corporate Design Foundation. Reprinted by permission.

2 Interview with Paul Van Orden, December 6, 1991, conducted by Laurie Poklop.
3 Interview with Patrice Kavanaugh conducted by Peter Lawrence, June 18, 1991.
5 Interview with Patrice Kavanaugh, June 18, 1991.
7 GE Identity Program, Volume 1: Basic Standards, p. I.
8 Bartels, p. 47.