Managing CORPORATE IDENTITY

This essay offers readers an understanding of what the terms "image" and "identity" mean and describes a process for managing a corporate identity program that moves from performing and audit through implementation. Argenti also notes several identity mistakes and suggests how to avoid them.

By Paul Argenti

We all choose certain kinds of clothing, drive particular cars, and wear that special watch to express our individuality. The towns we live in, the music we prefer, the restaurants we frequent all add up to an impression — or identity — that others easily distinguish.

Compare these two examples. The grey-haired gentleman in the Jaguar is dressed in a blue Brooks Brothers suit and sports a Rolex President. The middle-aged man in the Toyota has on a pair of blue jeans and black turtleneck and tells the time with a Seiko digital. Even for people who have only lived in the U.S. for a few years, these quick glimpses allow them to come to some instant conclusions about what these two characters are like. And more information about where they live, their religion, and their occupations would help form a much clearer identity.

The same is true for corporations. Walk into a firm's office and it takes just a few moments to capture those all-important first impressions and learn a good deal about the company. It is no wonder, then, that designing and managing this "identity" is a crucial business concern. In addition, if the effort is a challenge at the personal level, it is easy to imagine that it is significantly more difficult within organizations.

One reason for this complexity is that there are, as personal experience confirms, many potential identity options. Last year while teaching in Asia, my wife and I treated ourselves to one of life's great pleasures - a weekend in a suite at the Oriental Hotel in Bangkok. There, newspapers (the Asian Wall Street Journal and the Herald Tribune) were ironed to eliminate creases; hotel staff were omnipresent to the point of running down the hallway to open the door lest patrons should actually have to use their keys; laundry arrived beautifully gift-wrapped with an orchard accent; each night our pillows were adorned with an English poem on the theme of sleep; and, outside the lobby, Mercedes limos were lined up ready to take us anywhere at any time of the day or night.

A few weeks later I returned to the U.S. and was giving a lecture to a group of executives at a resort in the Midwest. A newspaper (USA Today, of course) appeared on the outside doorknob squeezed into a plastic bag; the staff was invisible and unavailable to bring room
service in under 45 minutes; my pillow was adorned with a room-service menu for the following morning and a piece of hard candy; the vehicle waiting to whisk guests to various destinations was a Dodge van; and for flowers, the resort provided plastic vases in a glass-enclosed case that played “Feelings” when the top was lifted.

Both hotels have strong identities; both appeal to particular constituencies; and both provide roughly the same level of service using distinctive approaches. These kinds of choices are the heart of the matter, contributing to and shaping the “personalities” of these hotels and, more generally, conveying the profile and content of any institution.

Just what goes into creating such impressions? Is this a recent trend? How do organizations distinguish themselves in the minds of customers, shareholders, employees, and other relevant constituencies? And, above all, how does an organization manage something so seemingly ephemeral as an identity?

**Corporate Identity: A Recent Trend?**

Corporate identity may appear to be a recent trend—emerging from the need for definition in a complicated world—but, in fact, identity programs have been around for a very long time. In ancient Egypt, the Pharaohs used their signatures as a symbol of their administration. Anyone who has been to Luxor or can attest to the fascination Ramses IV had with his “logo.” It appears virtually everywhere and is especially noticeable because his cartouche is primitive and bold, dominating earlier symbols on columns and buildings.

More contemporary historical examples of corporate identity are evident in the eighteenth-century U.S. and French revolutions. As a facet of those battles, both countries changed their identities with the development of new flags, national anthems, uniforms and, in the case of France, with a new execution device—the guillotine. During the middle decades of the twentieth century, Nazi Germany terrified the world with its identity program. What is valuable to remember is that, although today we regard the swastika as something abhorrent, the same symbol obviously had strong positive connotations to earlier generations of German nationalists.

In terms of individual behavior, the cross and Jewish star are critical symbols in Western civilization. Throughout the world, they are instantly recognized and elicit a spectrum of emotional responses. A case in point is Martin Scorsese’s disturbing film, Goodfellas, where the protagonist has to hide his gold cross when he first meets his Jewish in-laws. After his marriage, he is draped with both the cross and the star, and the people in the audience, most of whom are familiar with the Judeo-Christian tradition, realize the transformation that has occurred within the character.

Such symbols, however—be they a Pharaoh’s cartouche, a nation’s flag or a sign of a person’s religious commitment—are just one dimension of the identity picture. They receive a lot of attention because of our increasingly visual focus and exposure to this type of shorthand in television, magazines, annual reports, and the endless barrage of brochures we see at work and at home. And as a parallel, corporations, from start-ups to industry giants, as well as not-for-profits and universities, give at least some thought to these issues. Yet despite this awareness, it is a much smaller group of executives and managers that understands a broader definition of identity and how to exploit those perceptions as an essential organizational asset.

**What is Corporate Identity?**

Most of those who have written on this subject come from the graphic design discipline and spend an inordinate amount of time describing why identity is much more than the design itself. They are right but tend to overcompensate, translating identity into an all-embracing concept that touches everything the organization does. The approach is sometimes hard to grasp and often impossible to put into a strategic framework.

Identity, whether corporate or personal, is defined as individuality. For some that means trying to be different; for others, conformity. Whatever the reality is gets communicated—consciously or not—to various constituencies who subsequently form perceptions about their experiences. The process has many components.

**REALITY**

The primary basis for corporate identity is the reality of the organization itself. This is frequently hard for anyone but the CEO or president to grasp. What is the reality of an organization as large as Exxon, as diversified as Mitsubishi, or as monolithic as General Electric? Certainly the products and the services, the people, the buildings, the symbols, and other objects contribute to this reality. While there are inevitably differences in how the elements are perceived (as we will see in a moment), it is this cluster of “facts,” this collection of tangible things, that provides the organization with a starting point for creating an identity.

**COMMUNICATION STRATEGY**

A communication strategy is the process by which
the corporate reality/identity is conveyed. If that strategy is coherent, the organization is understood by various constituencies in the best possible light. In this effort, design, public relations, and both formal and informal messages such as the way a store is decorated and the attitudes towards customers, all reinforce the same image. But achieving this unity is far from easy and studying each component of an effective program - organizational objectives, constituency analysis, and message strategy - gives some indication of the nuances involved in the undertaking.

**Organizational Objectives** - Usually, if a person searches for corporate reality in a mission statement, the conclusions are so bland as to be indistinguishable from one another. Top management, on the other hand, is traditionally compelled to be explicit about a company's goals and directions, and this language can serve as the stepping stone to define, enhance or alter a firm's identity. Those responsible for the communications strategy should talk to the CEO, find out what the corporation is trying to do, and then use that information to establish key identity objectives. For instance, the mission statement of one company I worked with said that its goal was "to present a mosaic of the organization in our communications." When I asked a vice-president what he meant, I discovered that the underlying intent was to increase sales.

**Constituency Analysis** - Determining which constituencies are relevant and finding ways to explain a corporation's identity to each, without sounding like people who talk out of both sides of their mouths, can be an imposing task. Often, a message that sounds good to one constituency may not appeal to another. Communicators, then, need to be careful about the messages they select and how they frame those ideas to address different constituencies. As an example, when K mart changed its retail identifier in September 1990, it had to raise expectations about what the change meant to certain groups while explaining to others that the logo on an individual store might not change until five years down the line. Careful analysis, including a clear definition of who the constituencies are, what they know about the organization, how they feel about it, permits a corporation to develop approaches tailored to specific audiences. Traditionalists might believe beneficial change is unnecessary window dressing. Alternatively, progressive constituents might see the same move as too limited.

**Message Strategy** - Most corporate identity programs include design changes. This may include new logos, symbols and color changes that appear on buildings, uniforms, and hundreds of other media. Organizations try very hard to make these formal identity manifestations unique in order to distinguish themselves from competitors. Nonetheless, on many occasions - oil and gas companies come to mind - the differences are overwhelmingly symbolic. Are there any real distinctions between Mobil and Texaco gasolines? There may actually be slight discrepancies in formula, yet when I think about these companies, the major variations seem limited to the logos and Mobil's focus on corporate advocacy versus Texaco's support of opera.

In a similar vein, it is interesting to investigate the mission statements of three or four companies in an industry where the product is virtually interchangeable. More than likely, the contrast will be minuscule. But if the corporations do, indeed, have separate identities, the best places to find these profiles are in the brochures, policy statements and other physical expressions of their respective corporate realities. In addition, other informal messages abound in the myths, atmosphere, décor and even security procedures of the particular firms. To illustrate, the team that developed the Apple Macintosh removed themselves physically from the rest of the company, changed their work habits, and developed an entirely different esprit de corps. Or, in advertising agencies, creative departments generally have a different feel than the more businesslike atmosphere of account executives.

**Perceptions**

Perception is the third vital aspect of identity, and constituents form perceptions based on the messages companies send out. If these notions accurately reflect an organization's reality, the identity program is a success. If the perceptions differ dramatically from reality (and this often happens when companies do not take the time to analyze whether or not a match actually exists), then either the strategy is ineffective or the corporation's self-understanding needs modification.

Through research, the corporation can determine how different constituents perceive the current identity and any changes the organization is contemplating. These investigations, however, must be more than anecdotal information picked up in a few focus groups. A concerted effort takes time, money, and patience. Instead of relying simply on qualitative investigations (such as focus groups), companies need to conduct quantitative studies as well. It is not unusual for a firm to rely on the observations of a few people asked at random about their feelings, but a more appropriate undertaking might be an extensive and scientific survey, sending questionnaires to customers and carefully interpreting the findings.
Considering the resources involved in implementing an identity program, this could easily be considered an investment.

Throughout the process, corporations must shun cosmetic changes. Identity is not simply public relations; most analysts are pretty good at looking behind an image that does not seem to ring true. In UAL's case, executives invested great sums of money to create a new firm named Allegis, but the company remained what it was initially—an airline—rather than a broader travel organization with hotels and other accoutrements. In another example, USX is still a steel company despite its attempt to hide that fact behind the Big Board call letters. And Sears continues to conjure up the idea of a department store long after attempts to diversify beyond its core business.

This does not mean that change is impossible. Transformations do occur. We have only to study the AT&T logos from Angus S. Hubbard's 1889 design through 1984 when the company was split up to see the metamorphosis. But these generations of visual material are only the symptom, a sign of new realities rather than the new realities themselves. They represent a dynamic process, a growth, a shifting in priorities that is often difficult to define and perhaps more difficult to manage. Articulating and communicating this vision is the identity challenge.

Managing the Unmanageable

The dual nature of identity—embodied in things yet inextricably tied to perceptions—creates a special dilemma for decision-makers. In a world where attention is generally focused on quantifiable results, the emphasis here is on qualitative issues. And devising a program that addresses these elusive but very significant concerns requires an approach that balances thoughtful analysis with action. The path outlined below suggests a method used successfully by many.

Step 1. Conduct an Identity Audit. To begin, an organization needs to assess the current picture. How does the general public view the organization? What do its various symbols represent? Does its identity accurately reflect what is happening, or is it simply a leftover from days gone by?

To avoid superficial input and objectively respond to these questions, consultants must conduct in-depth interviews with top managers and those working in areas most affected by change. They review company literature, advertising, stationery, products and facilities. They research perceptions among the important constituencies, including employees, analysts and customers. The idea is to be thorough, to uncover relationships and inconsistencies and then to use the audit as a basis for potential identity changes. In this process, executives should look for red flags. Typical problems include symbols that conjure up images of days gone by and just generally incorrect impressions. And once decision-makers have the facts, they can move to create a new identity or institute a communication program to share the correct and most up-to-date profile.

The recent experience at K mart is illustrative. This company's stores are part of the American landscape, so much so that it is one of the most recognized corporations in the country. Johnny Carson has talked about "blue-light specials" on his late-night show, and the Oscar-winning movie, Rain Man, had several less flattering references to the firm. With over 2,000 stores throughout the United States (80% of the population in the U.S. lives within five miles of a K mart), visits from 180 million shoppers a year, and over $30 billion in sales, the K mart of 1990 had very few problems with recognition.

What it did have, however, was a symbol that reflected the K mart of the 1960s. Like a worn, gray-flannel suit, the logo seemed comfortable, but after 28 years, changes in the stores and throughout the organization motivated designers, vendors, customers and reporters to plead with CEO and Chairman Joseph Antonini to update the corporation's symbolic image.

In this case, Ken Love of Ansprech Grossman Portugal conducted the identity audit. After talking to customers, vendors, suppliers, and analysts and examining the way in which the old identity was used, he concluded that the retail identifier needed to be changed. K mart is different from the company represented in the original mark. In addition, attitudes about design have shifted. The result is a modified logo that will be implemented in every store, on all signs, and in advertising over the next five years. But that is not all. As a precedent to putting up the new sign, the company is also spending several billion dollars to refurbish stores so that, as a single message, the change in symbol will be complemented by significant interior enhancements.

Step 2. Set Identity Objectives. Having clear goals is essential to the identity process. These should be set by senior management and explain how each constituency is supposed to react to specific identity proposals. For instance: "As a result of this name change, analysts will recognize our organization as more than just a one-product company;" or, "By putting a new logo on the outside of our store, customers will be more aware of dramatic transformations inside." What is important is that emphasis be placed on constituency response rather than company action.

In another example, the oldest graduate school of business in the world found itself with an identi-
ty that had little to do with the reality of the institution in the late 1980s. Administrators and faculty were using five different logos, including a pine tree, a literal rendition of the school’s main building, and several variations of the Dartmouth logo. In addition, the official name of the school, The Amos Tuck School of Business Administration at Dartmouth College, was too long and confusing. This led to humorous renditions of the name, such as the infamous “Truck School.”

As suspected, the audit indicated that Tuck’s overall awareness and name recognition were suffering. To improve the situation, two objectives were outlined: first, to come up with a more manageable name that all constituencies would use and second, to design a logo that would differentiate the graduate school from the college. The School is now “Tuck at Dartmouth,” which eliminates the confusion about how a graduate school could be a part of a college. And the new logo, developed by Gene Grossman, incorporates the founding date of the graduate school (rather than the college) and a contemporary symbol within a traditional shield framework.

**Step 3. Develop Designs and Names.** Once the audit is complete and objectives established, the next phase is design. If a name change is needed, consultants start to come up with alternatives. Sometimes options can number in the hundreds, although inevitably certain ones stand out as more appropriate. The criteria for selection depend on several variables. For example, if the company is undergoing a global expansion, the addition of the word “international” might be the answer. If, however, a firm has a lot of equity built into one product, changing the name of the corporation to that of the product might be the answer, as happened when Consolidated Foods became Sara Lee.

A degree of autonomy is also valuable during this part of the process. On one program I was involved with, the CEO kept offering suggestions, making it awkward, if not impossible, for designers to be serious about exploring other possibilities. In the end, the CEO’s design won out and we wondered why he had bothered to hire professionals in the first place.

At the same time, there must be a balance. Beyond the outsider’s conception of what an organization is all about, a manager’s own instincts should be a part of the final decision. In some cases, designers and identity consultants are perfectionists or idealistic, presenting ideas that are unrealistic or too avant-garde.

To typify the focus of this design dialogue, I show a series of Texaco logos. While this is a bit different from the exploration just described, it does show the variety that can emerge in what otherwise might be considered straightforward circumstances. Making sure this kind of diversity is a facet of the identity discussion is a key to success at this stage of the process.

**Step 4. Develop Prototypes.** Once the final design is selected, consultants develop models using the new symbols or names. For products, they prepare prototype packages and show how the brand image is used in advertising. If it is a retail operation, they often build a model to show what the store will look like. In other situations, the identity is applied to everything, including ties and T-shirts.

During this phase, it is not uncommon for managers to get cold feet. As the reality of change sinks in, criticism mounts, from some quarters because they have not been involved in the process and from others because they do not have a good sense of the evolution and meaning of the design. At times, negative reactions on the part of constituents can be so strong that proposals have to be abandoned.

To overcome this failure, it is important to have a diversity of people and viewpoints involved in the identity process. The one caveat is to avoid accommodating different ideas by diluting concepts. A company should not accept an identity that is simply the lowest common denominator. Two ways to deal with the task are to either let a strong leader champion the new design, or set up a committee (sometimes the board) to work on the program. In either approach, keep people informed and invested in the project from the beginning. I once worked with an organization that assigned the identity effort to a single board member. When that person proudly came back with the design, it was unanimously rejected. Not willing to give up, a committee was formed that solicited assistance from the entire board. Not surprisingly, when this second design was up for a vote, it was unanimously approved.

**Step 5. Launch and Communicate.** Given the time and the breadth of the group required to develop an identity, news about future changes can easily be leaked. In the K mart process, hundreds knew about the effort, and managers worried that the new logo would appear in Advertising Age weeks ahead of the launch. Fortunately, the story stayed under wraps until the day of the announcement, and was only exposed when a savvy photographer spotted hundreds of carts with the new logo sitting in a parking lot. Of course, he took pictures and promptly sold them to USA Today. Sometimes such publicity is a positive event, as it can create excitement and a sense of anticipation.

Still, the chance occurrences are no substitute for a formal introduction. To build drama into the an-
nouncement, public relations staff should be creative in inviting reporters without giving away the purpose – one company I know sent six-foot pencils and a huge calendar with the date of the press conference marked off. And once at the meeting, the design should be clearly displayed in a variety of contexts, and senior executives should carefully explain the strategy behind the program. As additional communication tools, corporations might want to avail themselves of video news releases and satellite links. Whatever the choice, it must be remembered that effectively presenting an identity is a complex problem. It is much too easy to interpret the change as cosmetic. To avoid this, most companies seek professionals to help orchestrate this showcasing process.

**Step 6. Implement the Program.** The final stage is implementation. This can take years in large companies and a minimum of several months for small firms. Resistance is inevitable, but what is frequently shocking is the extent of ownership constituents have in the old identity. Think about how long it took to get lights in Wrigley Field. I have also encountered similar reluctance from secretaries who do not want to use a new block format and from older Dartmouth alumni who could not understand how the traditional Indian symbol could possibly have been offensive. A standards manual is useful in showing staff and managers how to use the new identity consistently and correctly. Beyond this, someone in the organization needs to monitor the program and make judgements about when flexibility is allowed and when it is not. Over time, changes will need to be made in some standards, for instance, when a modern typeface chosen by a designer is not available in certain countries.

As a few final words, I note that most managers who have not been involved in developing an identity program tend to underestimate its value. I have found that those in the financial side of the operation, in particular, often think that corporate identity is rather silly and trivial. Some of this hesitation emerges from a lack of understanding about what corporate identity is and what it does for an organization. In response, I can only say that I am certain that an inappropriate or outdated identity can be as damaging to a firm as a weak financial performance. People seek consistency, and if perceptions about a corporation fail to mesh with reality, constituents take their business elsewhere.

Executives, then, need to be fully aware of the tremendous impact of corporate identity and they must learn how to manage this critical design resource. Success in this area is a catalyst for and a symbol of change, the dynamic process that keeps companies thriving. Success also matures into pride and commitment – among employees, among consumers and among the general public – irreplaceable assets in our intensely competitive business environment.

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**Suggested Readings**

