Singer plc

Singer (Sri Lanka) PLC is a diversified, large scale Company with unmatched presence throughout the country. Beginning with sewing machines, Singers product portfolio has diversified to encompass a highly successful multi-brand strategy that combines the products of top world Marques with Singers own products across a range of household, industrial and financial applications. The lifeblood of any retail operation is its retail network as at the end of 2010, Singer has 1, 147 full time employees. With 345 retail outlets, one factory, eight regional service centres, over 300 service franchise agents, 91 sales agents, 64 branches of the Singer Fashion Academy, four branches of the Singer Culinary School, and one Distribution Centre. (Annual Report, 2010)

Although Singer has been a large scale diversified company their corporate image and reputation is being not consistent enough over the time. In the hands of global players like Sony, Samsung, Panasonic, Singer has the lowest reputation for quality durable products and services. Singer is an admirable company among Sri Lankan people but consumers such upper and middle class are not willing to purchase their products due low reputation and image.

Reputation of each stakeholder with the organization differs according to the experiences they have had and about what they know about the organization. While attending to day-to-day urgencies many organizations keep the value of a good reputation at the back of their minds.

Purpose of this report is to provide an insight about how Singer should manage their corporate reputation with relation to the corporate personality,

culture and identity. As an independent consultant the focus of this report is to create a path way which Singer can benefit from corporate branding in the future by analysing gaps and providing recommendations and solutions for them to actively build a good reputation, to build the bank of goodwill towards them.

Throughout this report many areas related to corporate reputation will be evaluated with real examples regarding to Singer SL. Background of the company has been discussed in the Appendix section where body of the article describes areas such as personality, communication, culture, identity mix etc.

Initially, typologies of corporate branding have been explained to discover their current typology. In order to asses the Singer corporate character/personality a survey has been conducted among their internal and external stakeholders to test out their organization culture, communication and nature of the personality. Subsequent to the evaluation of the current corporate character Singer potential for corporate branding has been appraised in order to make recommendations and justify a new identity mix which can support their corporate brand.

Few of the important reasons and opportunities available in the future for Singer to perform corporate branding to increase their damaged reputation will be discussed in this document. Reference to the recommendation and justifications made for Singer, the financial and political barriers of implementation will also be examined.

Introduction

The Importance of brand development has been progressed over the time where organizations should pay attention not only to product branding but also corporate branding. A successful corporate brand adds value to the basic service or product, where it will lead to develop a preference and loyalty towards the organization. (Balmer & Greyser, 2003)

However another important factor to be considered when building a corporate brand is corporate identity since a proper identity is a must factor to develop a successful brand. Corporate identity is long term and concerns how the organization management want to build the image and reputation in the context of stakeholders. There are three major sections attached to the corporate identity. Those are corporate image, corporate reputation, and corporate personality.

Corporate reputation can be described as a reflection of different impressions, which indicates a value judgment about the organizations attributes (Marwick & Fill, 1997). Good reputation provides sustained competitive advantage and increases corporate worth although reputation is an intangible concept. If a good reputation is built with the key stakeholders such as large customers, opinion leaders, suppliers, current and potential employees a business can achieve its objectives very easily.

Gray and Balmer (1998) have stated corporate image is the immediate mental picture that audiences have of an organization. It contains the impressions, knowledge, and experience each stakeholder has about the company.

A better understanding of corporate branding and corporate reputation has been brought out in this paper. Evaluation of branding typologies, corporate character/personality and identity in the context of Singer throughout this research will be an essential to find out the potential of corporate branding for Singer and how they should improve their corporate reputation performing further corporate branding.

1. 0 Inquisition of Genres in Corporate Brands

1. 1 What is a Corporate Brand?

In California management review Aaker, (2004) has defined corporate brand as As the brand that defines the organisation that deliver and stand behind the offering, the corporate is defined primarily by organisational associations. In particular, a corporate brand will potentially have a rich heritage, assets and capabilities, people, values and priorities, a local or global frame of reference, and a performance record.

A company can create brand loyalty and awareness among the consumers about its products through the use of an effective marketed product and corporate branding can become successful only if they sell well known products with a positive outlook. It can be disadvantageous since the company maybe branded for a particular product only.

1. 2 Typologies of Branding Strategies

With the preceding sections we can obtain guidelines for implementing a corporate branding strategy. A strategy should be chosen from the available strategies once the decision to implement corporate branding has been finalized. A branding strategy can be built with the below three models which are well-known.

The model proposed by Wally Olins (1990) is the best-known classification of corporate brand strategies. According to him there are three principal kinds of corporate branding strategies.

Table 1: Overview of Olins Branding Model

Source: Fombrun & van Riel (2007)

Kammerer (1988) shows different ways that corporate communication can be implemented internally. Specifically, he distinguishes four action types of corporate branding strategies.

Table 2: Overview of Kammerers Action Types

Source: Fombrun & van Riel (2007)

Van Riel

Van Riels model takes point of departure from two factors that should be taken into account when developing a corporate branding strategy. The first is the degree to which the business units of the company are willing and prepared to communicate that they are part of a larger group of companies (Agree on Parent Visibility). Second is the degree to which the business units agree on the starting points of the corporate branding strategy (Agree on Starting Points).

Figure 1: Van Riel's Branding Typologies

Source: Van Riel and Van Brugen (2002)

1. 3 What is Singers Branding Strategy

As per the above mentioned typologies Singer is currently using Strong Endorsement type of Van riel typology since all those different products and services are marketed and branded through the Singer corporate brand under Singer standards, rules and regulations. The following characteristics can be used to verify that Singer brand typology is being inclined towards strong endorsement method of Van riel brand typology:

Using corporate logo and the name for all products

High parent visibility

High degree of identification with the corporate level

High degree of transparency

Strict coordination of communication strategy

Showing the strength of the group

All these products have a higher brand value of endorsing the company (Singer). Finally it shows trivial monolithic characteristics for the reason that the whole organization uses one visual style. The company can be recognized instantly, and it uses the same symbols and logos everywhere according to Olins concept.

2. 0 Assessment of Singer SL Corporate Character

2. 1 What is Corporate Character/Personality?

Corporate personality has been identified as the total sum of the organizations characteristics from which the identity is generated, meaning

the unique combination of product offering, facilities, culture, corporate philosophy, core values and beliefs, capabilities, corporate mission, staff, structures, systems, and skills. (Fill & Marwick, 1997)

2. 1. 1 Magnitudes of Corporate Character

There are many elements/dimensions which influence the personality according to many frameworks and personality techniques. All these frameworks have described and measured corporate personality by taking the organization as a Person Metaphor in assessing internal/external views. Before moving into a framework there are few core factors which derive corporate personality as follow

2. 2 Critical Evaluation of Singer Corporate Character/Personality

In this chapter to explain the Singers corporate character the above mentioned dimensions has been used. Few established personality profiling techniques have been used to measure the personality of Singer.

2. 2. 1 Synopsis of the Singer Corporate Culture

Gerry Johnson and Kevan Scholes developed the Cultural Web in 1992 which provides an approach to view and enable an organization to change its culture. When the factors are analyzed a bigger picture of the Singer SL culture can be seen: what is working, what isnt working and what needs to be changed. The six elements are explained below-:

Element

Relation to Singer

Stories The Singer saga begins with its founder Isaac Merrit Singer and his revolutionary invention – the Sewing Machine.

Singer turned its hand from a single product to a host of items.

Singer has won the Durable Brand and Youth Brand award (SLIM Nielsen) for several years.

Most of the consumers in Sri Lanka believe Singer products lack in the quality and are less expensive when compared against large players like Sony, LG etc.

Rituals and Routines Singer delivers products at a reasonable price with an extensive after sales service 24/7 to their consumers and troubleshoots any given situation free of charge.

It offers online shopping via their website.

Employee behaviour is not consistent and Singer has a cross culture environment.

Singer is carrying out employee training and developments.

Business is conducted by conforming to the ethics of the country and shares the social responsibility of the less fortunate.

Symbols

Singer has a well known red colour logo which is very catchy and is known by the majority of Sri Lankans which enables them to create a good corporate reputation.

Their Motto/Slogan is Trusted Excellence which persuades customers and excites trustworthiness.

Their normal employee dress codes are very formal and smart casual.

Red and white are been used as their theme colours and can been seen in their showrooms and vehicles.

Organizational Structure The organizational structure is hierarchical as it is being operated in a result and brand congruent culture with lots of employees. Top managers and middle managers are mostly involved with decision making and a top down approach can be identified.

Control Systems Costs are highly controlled, and each and every transaction has been validated and entered into a central system which enables them to generate financial reports.

Performance appraisal systems are built to monitor and control their sales staff and reward them as per their performances.

Quality of the product/service is emphasized while cutting down the costs.

Inventory systems are developed to maintain stocks of products.

Power Structures Chairmen and the director board have more powers to make decisions as they are experienced and experts (leadership style is between autocratic and democratic).

Management believes in higher profit and market share models as they want to be the market leader in the consumer electronic industry.

Sales managers and Marketing managers are given the power to take decisions in advertising, campaigns, and to observe sales and marketing performances and report to the management quarterly.

The management power is being managed properly in an autocratic way without frustrating lower level employees.

Table 3: Singer Organization Culture

2. 2. 2 Overview of Singer Vision/Mission and Values
Source: Singer Annual Report, 2010

2. 2. 3 Strategy Making Process of Singer SL
The strategy of Singer is based on the market share and cost leader marketing strategy. Currently Singer is the market leader in the consumer electronic industry in terms of sales and revenue. Top managers are being playing an important role in strategy making. Once a strategy is formulated the top management takes the consent and approval from the external and internal stakeholders in order to receive their various comments and bring about any change if required. The strategic planning process involves four steps which have been mentioned as below:

Source: Adpted from Singer Annual Report, 2010

2. 2. 4 How They Communicate with Its Stakeholders
Internal communication climate of Singer shows an incline to an open climate according to the survey that has been carried out (Refer Appendix II). Communication level is mostly open and honest between stakeholders and employees. Singer is being exchanging all their financial information in the

corporate website and has a higher degree of stakeholder communication and very supportive where they are following participative decision making. But few problems have been identified and will be explained in the corporate identity section (5. 0) and under personality profiling test based on a survey (3. 2. 6) which has been carried out among their stakeholders.

2. 2. 5 Personality Profiling Techniques

Corporate personality can be measured with a number of techniques where the respondents can rate the reputation of the firm from poor to good. Firms can be compared in more detail with generic & multidimensional scales as follow:

Andersons (1968) 555 human personality traits as a source and added three pairs of adjectives.

Similarly Biel (1993) used 28 human descriptors to define brand image,

Aaker (1997) identified five dimensions for brand personality, each with a number of traits

The Personality Profile proposed by Lux (1986) takes as its point of departure the existence of seven core dimensions that can always be used to describe the personality of a company as follows:

Figure 4: Lux Personality Profiling Framework

Source: Personality Profile Lux, 1986

Recently developed seven dimensional personality technique of Davies (2003).

2. 2. 6 Singer Personality Test

A survey has been carried out using dimensions which are created by combining personality profiling techniques which have been mentioned above in order to check the corporate personality of the organization and to get a clear idea of it. This consists of four main pillars – communication climate, organization growth, enterprise level and financial behaviour.

2. 2. 7 Key Issues in the Current Corporate Personality

Singer is being result oriented and they are working hard to achieve those targets and results. Through survey findings and analysis of corporate personality dimensions (Figure 2) the following key issues have been identified-:

The performance and efficiency of the organization leads to a decrease since the employee behaviour and job culture is not adequate and consistent due to cross cultural teams and members.

No competitive advantage against global brands due to lack of quality of products.

Regular two way communication hasnt been done since they were not aware about their important CSR and other community activities.

Decision making process wasnt collaborative and participative.

Inadequate strategies have obstructed their way to the desired position.

2. 2. 8 Nature of the Singer SL Personality

After evaluating those dimensions of the personality (Figure 2) and results from the survey shows Singer has a Work Hard and Macho type of

personality which means there are stress results from quantity of work rather than uncertainty. Employees are considered and believe they have high speed in action, higher level of energy and are not limited to job description so they actively look for solutions as they are more result oriented.

Singer strategies are formed and processed in a formal way and those are designed to achieve sales and profits rather than considering about other qualitative factors such as employee welfare, corporate reputation, social responsibilities, etc. When considering their stakeholder relationship it is evident that they have an impartial relationship with their current internal and external stakeholders where regular communication isnt being performed. Communication across the organization is open where employees are habituated rapidly into the communications and social structure of the company. Singer also has Brand congruent characteristics as people/stakeholders believe in their products.

To conclude, in overall Singer has a good corporate character in terms of culture, communication and relationship with stakeholders which will be more supportive for corporate branding which they need to build the corporate reputation.

3. 0 Vitality of Corporate Branding for Singer

The experiences and impressions which the consumers associate with a company are known as a corporate brand. When a company is well known and sells high quality products with a positive image, corporate branding

becomes successful. The only disadvantage is that with corporate branding a company can become identified with only one kind of product.

3. 1 Potential for Corporate Branding in Singer SL

Corporate branding cannot be accomplished by an individual and hence it should be done by the effort of all people in the company such as internal and external stakeholders. Reputation issues have been seen when analysing the corporate character and with corporate branding the reputation of Singer can be built along with increased profits and brand loyalty.

As per the survey findings Singer has a good corporate personality which can support corporate branding. This chapter will explain the potential for corporate branding in Singer SL in terms of competition, opportunities available, benefits, stakeholders and current identity mix.

3. 1. 1 Corporate Branding: Its Role in a Sustainable Competitive Advantage

Singer SL stands as the market leader in the overall consumer electronics industry. The key for a long term growth is sustainability which is the ability to maintain a competitive advantage. Competition threats arise from defying geography, converging technologies, sectors and many other sources.

Singer can gain a strong competitive advantage by having a corporate brand since the industry is matured and has high competition. Position of a good corporate brand differentiates it from others which open an opportunity to sustain a competitive edge. World-renowned brands do not sell specific products or services. Rather, they seek to sell a concept to differentiate their company and to gain a competitive edge.

Coca Cola does not sell soft drinks, it sells enjoyment.

Harley Davidson does not sell motorcycles, it sells freedom

3. 1. 2 Advantages and Disadvantages of Corporate Branding for Singer

Advantages:

A better place in the market can be obtained for the company and its brands.

Corporations tangible and intangible assets can be controlled with corporate branding strategies, which in turn lead to excellence in branding.

Creates the simplicity since it will stand on top of the brand portfolio. (umbrella branding)

Cost efficiencies can be gained by reducing marketing and product advertising.

Value can be added in the implementation of the managements vision and corporation by a strong and effective corporate branding strategy.

It often assists the management and the corporation to focus in their vision, mission and value proposition.

Disadvantages:

The unique characteristics of their isolated products would not be highlighted when the products having the same corporate brand is promoted through one advertisement.

Singer might become synonymous with a specific product category. Products of popular names can be referred by people to the same product category.

3. 1. 3 Singer SL: Additional Opportunities Available for Corporate Branding

Product brands can be energized by Singer programs with corporate branding. With it, brand management and credibility would be facilitated, internal brand-building would be supported, differentiation would be presented & broad company constituents would be supported through communication. The organization should be expanded with major sponsorships and citizenship programs for a better position of the corporate brands. Singer is being superior in conducting corporate programs and initiating the below mentioned type of programs as part of their activities will open a door to enhance their corporate brand.

Care of the Senior citizens and children and participation in events and sponsorships.

Targeting the villages in the distant places of Sri Lanka with Philanthropic activities.

The branding can be used as a podium for innovation since it will be easy to market.

To act as a leading brand in the consumer electronics Industry (Differentiation).

3. 1. 4 Role of Stakeholders in Corporate Branding for Singer

Singer gives a special place to its customers and suppliers and maintains a highly interactive connection, where stability stands as an integral component for the functioning of the business. The biggest support comes from its customers in which they purchase products and continue to do so with trust and assurance.

The stakeholders at Singer SL are very happy and satisfied and they hold a lot of value for the company. But communication and process issues can be seen in their relationship with Singer. According to survey findings, it is evident that the stakeholders will definitely help to develop the company and would accept any changes which take place within the organization due to their imperial relationship. They will help to develop the corporate brand and be supportive which in turn helps to increase the corporate reputation and stakeholder value proposition.

3. 1. 5 Improvements in the Current Identity Mix

As explained in the Next (5. 0) chapter about Singers Identity, it is evident that there are a few gaps in behaviours and communication. Identity is not aligned precisely with their mission and vision. Best practises in corporate branding will be helpful to conquer those issues and increase corporate reputation.

3. 1. 6 Can Singer Do Corporate Branding? Strength of Resources

Human Resources:

Employees of an organization are an important asset who comes in contact with the customers. The organizations operating budget is made up by the staff salaries and benefits. The Singer SL group and its employees will continue to serve the community with caring and outstanding services with 357 retail branches and a chain of other service centres and facilities with over 1, 000 workers.

Figure 5: Singer Staff Distribution

Source: Annual Report, 2010

Skills of Employees:

Singer has a powerful employee structure with lots of global experience and they have many different skills which are needed for corporate branding.

Table 4: Employee Skills

Financial Resources:

The Singer group earned a profit of Rs. 224 millions in 2010 which hit revenue of Rs. 14. 889 billions. The groups total assets are valued at Rs. 14. 934 billions and Shareholders Funds at Rs. 4 billion. As a Sri Lankan company these figures indicate that Singer SL has a strong financial stability.

Physical Resources:

As per the Singer annual report 2010, there are 357 retail branches all over the island with a huge vehicle fleet for the transportation of goods and services. Singer owns many fixed assets such as buildings, land, raw materials and equipments which will be used in creating products in the future.

Network Resources:

Multiple stakeholders such as state authorities, customers, shareholders, Government etc. are dealt by Singer on a daily basis. This has motivated them to draw a systematic approach towards sustainability to become more responsible and become partners with the stakeholders progress and join the future journey.

3. 2 Singer SLCorporate Branding Required or Not?

Singer has neither a good or bad corporate reputation. As explained above there are few issues needed to be corrected and a good potential is there for further corporate branding. According to the information collected through a survey and in order to increase the customer awareness, trustworthiness, achieve their corporate objectives and become the market leader, well managed corporate branding is very crucial. Singer is currently carrying out corporate branding activities but not as aggressively and prominently since there are more opportunities yet to be grasped. Through the personality research finding customers are not willing to trust their products in terms of latest technology and quality.

Differentiations can be found out in an organization with corporate branding while services and products become more similar overtime. Due to the long corporate history of their brand, it will be an advantage for corporate branding to eliminate the negative perceptions of upper end consumers.

To conclude, the below diagram depicts how the Singer stakeholders have interpreted the reputation of the company. The following diagram has been created aiding answers from the survey which has been distributed.

3. 2. 1 Recommended Best Practises for Corporate Branding

The below key points are required to be aligned with their corporate personality through corporate branding which would boost their corporate reputation.

To become effective and to meet objectives, commitment and personal attention is required by the CEO and the senior management.

Their CSR, philanthropic and community activities needs to be promoted to the society.

Cutting edge technology should be implemented to give some innovation and value addition.

Evolution of channels and increased power of distribution should be available.

With increased perceptions towards the company, consumer markets should be changed.

4. 0 Identity Mix for Singer

Corporate Identity is an overview of a companys business concept, strategies, leadership, style, products, packaging, architecture and personnel, where everything integrates. A companys identity is partly depended on content in form of company culture and symbol language, and to what extent these reach the audience. The creation of strong corporate identity, including identity signs, is crucial for companies to encourage positive attitudes in its different target publics (Dowling, 1993; Van Riel and Balmer, 1997).

4. 1 Current Identity of Singer

Based on content, corporate identity can be described using distinct attributes of an organisation, comprising both tangible and non-tangible aspects such as visual identity (e. g. corporate name, logotype, typography and colour), corporate communication (e. g., slogan and visual communication) and behaviour (e. g. behaviour of the staff).

But Balmer and Soenen (1998) proposed an organically inspired new corporate identity mix as being composed of the mind, soul, and voice.

For simplistic purposes, the following elements will be examined according to an aggregation and modification of the classification schemes of corporate identity measurement proposed by several different authors.

CI Variable Alignment with Singer
Communication and visual identity
(Corporate communications, Uncontrollable communication, Architecture and location, Corporate visual identity) Top level managers disseminate the goals and objectives of the organization to internal stakeholders but no further communication procedures.

Marketing communication is prominent as they are encouraged to do advertising and other marketing related activities but less corporate advertising activities.

The corporate name SINGER, logos and symbols are being consistent over time & present the centralized idea of the organization but slogans and mottos are not being consistent.

Theme colours have been used in an adequate way where they can be identified very easily. (e. g., vehicles, retail outlets and distribution centres).

Perceived risk is high of brands since most of the high end customers are selecting global brands like LG, Sony and Panasonic.

Behaviour

(Corporate behaviour, Management behaviour, Employee behaviour)

The behaviour of Singer is based on the performance of the individuals in the firm (result oriented).

When compared to its competitors a variance is not visible but except for its online buying facility.

Leadership style falls between Autocratic and Democratic.

External stakeholders do not get a clear picture regarding the unique characteristics of the organization.

Employee behaviour of the organization is much diversified and not solid due to employee levels and internal politics. The organization behaviour has been explained in the organization culture section (3. 2. 1).

Corporate Culture

(Goals, philosophies and princ