

Key concepts in corporate communication



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Air Mauritius, facing fierce competition and thus constantly aims at acquiring new customers as well as strengthening its existing customer base.

Promotional efforts made in that direction are based on promotion schemes of varying natures that are conducted by the aviation company. Promotional campaigns of Air Mauritius target primarily leisure tourism, further supplemented but on a minimal basis, by business tourism as well, both of which are reinforced by the tourist leisure attractions and the business facilities of the country respectively.

Corporate communication has become an increasingly important purpose in business organizations. Yet little has been published on the role and function of communication executives. This dissertation reports on empirical study conducted at Air Mauritius with a focus on the Corporate Communications Strategy and the marketing strategies adopted to communicate its products and services. There are very few products that are unique and with increasing competition in the market place, firms have to find ways to differentiate their products from their competitors. To achieve this, firms have to use several techniques to have competitive edge. Firms increasingly need to be focused on quality, competition prices, creativity and innovative products amongst others. To be able to attract and or retain a share of the market, firms are more and more making use of advertising.

This study was carried out to demonstrate that how effectively Air Mauritius (MK) communicates its products and services to its customers and customer base in a sustainable manner. Derived from the constant growth of the National Aviation Company relevant sources, a set of appropriate hypotheses

was selected to investigate the communicating efforts of Air Mauritius, which is referred to as 'The Effectiveness of Communicating at Air Mauritius'.

As an effort to benchmarking, the effective indicators were also applied to three other aviation companies, namely, Air France, British Airways and Emirates Airlines that can be comparable to the National Carrier Company in some ways.

Chapter 1: Introduction

Communication is very crucial in this era. All companies, whether producer or service provider, be it profitable or non-profitable organization, has the task of communicating their respective audience. Advertising continues to grow in importance nowadays, as one of the means to convey a message to people, to inform them about their product or service, or to persuade them to try the product or service. There are several main factors which have contributed to this change, namely, improvement in technology, media of communication available, consumer perceptions and consumer behavior.

As a result, with the help of advertising agencies, companies are fully focused on trying to satisfy their clients, in providing them with constant innovative and timely better product and service for customers. Therefore, they are well versed about the factors which will eventually attract more customers, so they are focusing more and more on creativity and design packages and plan campaigns.

The purpose of the study encompasses the importance of customer retention in the airline company because of competition and the emerging airlines like EK and others. Therefore it laid emphasis on the marketing tools and

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corporate strategies which airline company need to adopt in order to have a competitive edge.

To get the idea on how effectively companies communicate their products and services, an interview was conducted with some of the stakeholders of Air Mauritius Airline Company which is the national carrier of Mauritius.

Problem Statement

An old adage says, " A problem well defined is half solved". Only when the problem is precisely defined that research can be designed to provide to provide pertinent information. The work presented in this dissertation is described and positioned in the context of the effectiveness of communicating at the National Aviation Company, Air Mauritius, in view of building a strong customer base for the enterprise that will also favor economic growth on the national scale.

In an effort to maintain company growth, Air Mauritius endeavors earnestly to provide quality products and services to its customers at an affordable price. However, with a dynamic market, it is demanded of the firm to be flexible enough to constantly adapt to changing customer needs.

Yet, what is more important for any company's survival is to have the necessary customers and meet their unfilled needs. And these customers need to be informed of the presence of a potential fulfiller of their requirements that demand to be satisfied. The same applies to the National Aviation Company as well. Hence, is revealed the importance of advertising. However, the effectiveness of advertising should be such that desired results are obtained. The ultimate goal being that increasingly satisfying present

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and forthcoming demands, so as to ensure survival and promote company growth.

Aim of the study

The aim of the study is to assess Mk's effectiveness of communicating its products and services to its customers.

Objectives of the study

- To identify the marketing tools used in the organization.

- To identify the major problems encountered by MK airline and its customers.

- To identify the corporate communication strategies and assess its effectiveness.

- To make recommendation on how MK could better compete with other airlines.

Outline of the study

Chapter 1-Introduction

This chapter outlines the purpose of at Air Mauritius (MK) and the layout of the dissertation. The aims and objectives of the study and the problem statement why there is a need for the study.

Chapter 2-Literature Review

In this chapter, the literature review deals with the theoretical background of the topic of study. Definitions, statements, facts and other representative theoretical data are grouped under the heading of literature review to help in

the better understanding of the topic at hand. The literature review will provide evidences and all the necessary information about how Air Mauritius communicates its products and services to its customers. Moreover, it also focuses on the effectiveness of corporate communication at Air Mauritius.

Chapter 3-Company Background

Chapter 3 outlines the background of the company's profile following the mission, vision and structure of Air Mauritius. It also depicts the overview of its competitors.

Chapter 4-Research Methodology

This part covers the type of methodology that was used for conducting the survey and how information was gathered. It also highlights the limitation of the survey.

Chapter 5-Analysis and Findings

This part shows the result obtained from the interview conducted with different people working in the aviation sector and customer. Data has been analyzed taking extensive notes during the interview.

Chapter 6-Recommendation and Conclusion

The last chapter identifies the possible solutions for the problems encountered with the shareholders and complains recorded from customers and also what problems the organization encountered about corporate communication, leading to a concluding note of the project.

Chapter 2: Literature Review

Introduction

A literature review in the context of Travel and Tourism exposes very few empirical investigations on the effectiveness of communication. This chapter discusses what effective communication means from point of views and what are the marketing tools that are used by the airline companies in order to promote their products and services. Furthermore it also lays emphasis on the perception of customer's satisfaction of the products and services provided by airline companies.

Lastly this chapter will lead to an understanding of how effective communication can improve corporate communication and satisfy customers to the expected level and why there are some concerns about effective communication in an organization like airline industry and what are the benefits that are there by using effective communication tools and strategic marketing tools.

However before proceeding any further, it is required to have an overview on communication.

Communication

A review of relative literature to the research problem found that there are a number of variables effecting communication that can lead to either lack of communication, ineffective communication, or misrepresentation of the message trying to be sent and creating barriers in the communication process. Communication skills are the foundation for success. The ability to communicate effectively and with influence will determine the success in

transmitting the message (Palazzolo, 2008). Communication is the exchange and flow of information and ideas from person to another. It involves a sender transmitting an idea to a receiver.

Effective communication occurs only if the receiver understands the exact information or idea that the sender intended to transmit. Many of the problems that occur in an organization are the direct result of people failing to communicate. Leaders of organizations who keep everything inside or cannot communicate a message leave individuals to their devices to try and figure out what they may, or may not, want. This is a failure of leadership and communication (Baltoni, 2003). Faulty communication causes the most problems. It leads to confusion and can cause a good plan to fail.

Communication can be defined as "the concept under which a company carefully integrates and coordinates its many communication channels to deliver a clear, consistent message".

Communication is a two-way process. And the process is a moving and evolving set of experiences that influence our present and future interaction. As a process, the exchange of messages is ongoing and dynamic. Our internal communication and our exchange with others are continuously changing and adapting. Communication interactions occur during specific social situations, in different physical environments and for a variety of reasons and purposes.

Communication in advertising

Advertising is closely related to communication. For an advertisement to be fully recognized, the information being communicated must be received and

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interpreted by the targeted audience as assumed and conceived by the designers of the advertisement.

According to Lavidge and Steiner (1996), communication is a route with milestones that need to be crossed so as to finally arrive at the end. Going from one stage of progression to another, there exists boosting characteristics that is demanded to be present in the message in the communication for it to be effective within the progression between any consecutive two stages. On the other hand, communication can be obstructed by certain factors, which are mainly human traits that act as barriers to effective communication and may be the reason for regression between any two successive phases within the communication process.

2. 6 The stages in the communication process:

The Unawareness stage

The Awareness stage

The Comprehension stage

The Conviction stage

The Action stage

Corporate Communication

Corporate communication can definitely be the best way to outline the look at the way in which the function has developed in companies. Practitioners had used the term 'public relations' until the 1970s to describe communication with stakeholders. This 'public relations' function, which was

planned in most companies, largely involved of communication with the press. When other stakeholders, internal and external to the company, started to request more information from the company, practitioners afterward started to look at communication as being more than just 'public relations'. This is when the roots of the new corporate communication function started to take hold. The latter then came to integrate a whole range of specific disciplines, including corporate design, corporate advertising, internal communication to employees, issues and crisis management, media relations, investor relations, change communication and public affairs (Grunig, J. E. and Hunt, T. (1984). An important characteristic of the new function is that it focuses on the organization as a whole and on the important task of how an organization presents itself to all its key stakeholders, both internally and externally.

In other words, corporate communication can be considered as a management function that is in charge for supervising and organizing the work done by communication practitioners in different professional disciplines, such as media relations, public affairs and internal communication. Van Riel defines corporate communication as 'an tool of management by means of which all intentionally used forms of internal and external communication are matched as effectively and efficiently as possible', with the overall objective of creating 'a favorable basis for contacts with groups upon which the company is dependent'(Kotler (1989), Grunig, L. A. (1991),). Defined in this way, corporate communication clearly includes a whole range of 'managerial' activities, such as planning, coordinating and counseling the CEO and senior managers in the organization as well as

'tactical' skills involved in creating and distributing messages to relevant stakeholder groups.

Corporate communication stresses a combined method to dealing communication. Unlike a specialist frame of reference, corporate communication exceeds the areas of individual communication practitioners for example branding, media relations, investor relations, public affairs, internal communication, and crosses these specialist boundaries to join the strategic benefits of the organization at large.

2. 9. 1 Objectives of Corporate communication

It is generally of having a corporate communication strategy is the idea of a corporate identity that is the basic profile that an organization wants to project to all its important stakeholder groups.

Secondly how it aims to be known by these various groups in terms of the corporate images and reputations that they have of the organization.

To ensure largely reliable method and also in line with the predictable corporate identity, brochures, themes, visuals, logos and advertising campaigns to websites in tone .

For example: the logo of Air Mauritius (MK) has a fish-eating tropical bird symbol " Le Paille-en-Queue".

The corporate communication is geared towards founding promising corporate images and reputations with all of an organization's stakeholder groups. This is only so, that these groups act in a way which ultimately leads to the success of the organization.

This eventually leads to higher purchase of products and services by customers and target market because of favorable images and reputations.

Ultimately it creates appreciation by members of the community in its environment.

Investors will grant financial resources and so on.

2. 9. 2 Key concepts in corporate communication

Concept - Intervening purpose in line with the values or expectations of stakeholders.

Vision - Anticipated future state: the goal of the organization which is here MK.

Corporate objectives and goals - (Precise) statement of aims or purpose.

Strategies - The ways or means in which the corporate objectives are to be achieved and put into effect.

Corporate identity - The profile and values communicated by an organization

Corporate image - The immediate set of associations of an individual in response to one or more signals or messages from about a particular organization at a single point in time.

Corporate reputation - An individual's collective representation of past images of an organization (included through either communication or past experiences) established over time.

Stakeholder - Any group or individual who can affect or is affected by the achievement of the organization's objectives.

Public - People who mobilize themselves against the organization on the basis of some common issue or concern to them.

Market - A defined group for whom a product is or may be in demand (and for whom an organization creates and maintains products and services).

Issue - An unsettled matter (which is ready for a decision) or a point of conflict between the organization and one or more publics.

Communication - The tactics and media that are used to communicate with internal and external groups.

Integration - The act of coordinating all communication so that the corporate identity is effectively and consistently communicated to both internal and external groups.

2. 9. 3 The Corporate Communication System

The corporate enterprise has two primary communication systems that are inter-related. The internal system directs activities of organizing to achieve goals that are based on the gathering and interpretation of data on expectations and attitudes, and on conditions, from the corporation's relevant environment through external channels of communication. External systems of communication are also used to present relevant information about the internal processes of the corporation to the relevant external environment to attempt to influence the behavior of the various publics. Internal communication processes are directed towards establishment of

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structure and stability in organizing, while external communication processes are directed towards innovation by facilitating identification of directions for corporate development (Kreps, 1990). Managers and leaders seek co-operation for a productive balance between stability and innovation.

Stakeholders have different interests according to their unique roles in the corporate community. These interests can be reconciled if they are organized to create a more successful enterprise. The goal of business, therefore, should be to serve the public welfare of all stakeholders. There are some problems to be resolved in putting this into practice, but there are compelling reasons why the transition is occurring (Halal, 1996):

- The liberating power of information;
- The benefits of co-operation;
- The rising aspirations of people;
- Democratic ideals being extended into everyday life; and
- The new business model offers increasing productivity and social benefits, without clashing with the profit-centered model of business that it is a logical extension which helps to resolve the "cultural contradictions of capitalism" (Bell, 1974)

Marketing

Marketing and communication play a major role in all aspects of an organization work. In general, we could define marketing as the action or business of promoting and selling products. Communication on the other

hand, could be defined as the use of all available tools to manage the flow of information between an organization and its audiences.

The marketing Guru, Dr Philip Kotler (1989) defines marketing as: " the science and art of exploring, creating and delivering value to satisfy the needs of a target market at a profit. Marketing identifies unfulfilled needs and desires. It defines measures and quantifies the size of the identified market and profit potential".

Morrison (1996) also defines marketing as the " continuous sequential process which management plans, researches, implements, controls, and evaluates activities designed to satisfy both customers' needs and wants and their own organizations' objectives".

All the marketing activities that will achieve the organization's objectives are stipulated in the marketing mix, which is defined as 'the combination of certain elements and activities that a tourism organization or destination selects to satisfy the needs and wants of the customers in its target markets' (Pearce, Morrison and Rutlege, 1998).

In the marketing concept product is anything which a market receives and ultimately satisfy human needs and wants. The marketing mix, also known as the four Ps, consists of four components, namely, product, price, place and promotion. However, Morrison (1996) suggested that there should be four additional components for tourism, namely, packaging, programming, people and partnership.

Marketing Mix

The marketing mix consists of the types and amounts of controllable marketing decision variables that a company uses over a particular time period. Commonly refer to as the " four P's". The variables are:

Product

The right product or service must be developed for the target market.

Price

A price that gives good value to the customer and adequate revenue to the carrier must be set for the product.

Promotion

Personal selling and advertising must be used, both to communicate information about the product to the customer and to facilitate sales.

place

Appropriate channels of distribution must be found to ensure that the product reaches the target market at the right time in the right place.

These four elements are the controllable marketing factor that should be used to reach the target market.

2. 1 Services Marketing

The turn of the century has seen profound changes in the global economy. Services have played a crucial part in these changes, because services are becoming the way organizations meet with their markets (Irons, 1997: 4).

Service marketing is not a self-enclosed task but is integral to service.

Organization as a whole and the object of the activities people, who are reactive, not passive as compared with a product, (Irons, 1997: 18).

Providing a service is a people business. The interaction between customers and service employees is vital for the actual success of service delivery.

2. 2 Definition of service

Kotler (1996) defines service as an activity that one party offers another that is essential, intangible and does not result in the ownership of anything. Its production may or may not tie to a physical product.

2. 3 Characteristics of service

Services possesses five unique characteristics; namely

Intangibility

Perishability

Inseparability

Variability

Lack of ownership

These above mentioned characteristics differentiate them from goods and create distinctive challenges for service marketers in attracting new customer and keeping existing customer.

Advertising

The key to advertising is communication. The purpose of advertising is to catch the attention of consumers. Advertising is described as being a paid and non-personal communication. There have been interpretations of the Internet making advertising become of a more personal nature. Rosenfield (1997) states, " the Internet is a form of direct marketing rather than advertising". Which is in fact a correct formulation as communications transmitted using the Internet do not fit any of the above descriptions such that they can be effectively classified as being advertisements.

" Because services are intangibles, they can be more difficult to communicate and display than physical goods" (Rathmell, 1974). Thus it is important to provide a substantial description of the services in the mind of consumers so as to reduce the perceived risk they might fear and provide a clear idea of what the service consist of.

Advertising in itself can be decomposed in more specific sub-types. Different types of advertising can be made depending upon what the product or service promoter wishes to achieve at this particular point in time. Another influencing factor in this context is related to the life cycle of the product or service.

2. 7 Types of advertising

Kotler (2002) came up with different types of advertising that can be applied to the tourism sector. However, these advertising types can be arguably applied in the context of the travellin industry as well, on the basis that any

industry irrespective of its nature of operation, requires an effective advertising to operate smoothly. Those advertising types are:

Informative advertising

Persuasive advertising

Reminder advertising

Competitive advertising

Reinforcement advertising

Collective advertising

2. 8 Advertising media

In order to ensure that communication is effective a number of factors should be taken into account. Numerous advertising media exist for businesses to communicate their messages to their targeted audiences and the following media need to be considered:

Newspaper

Magazines

Television

Radio

Internet

Billboards

2.0.1 Marketing orientation

Marketing is a two-way mediating process between the customer and the corporation. A balance is needed between management, which focuses on stabilizing the corporation's change processes, and leadership, which seeks to innovate by focusing attention on the external environment (Kreps, 1990). Therefore, Drucker (1977) has argued that marketing is the business of creating customers, while everything else is a cost- much, but not all, of it necessary to enable and facilitate business enterprise to be productive. He has also revealed the political nature of modern business management (1980), showing that marketing alone cannot deal with all problems (Ehling et al., 1992). Public relation is a essential and complementary overhead in a liable enterprise. The marketing model views the business enterprise as an organized process designed to create and keep a customer (Levitt, 1969).

Departments should not be allowed to seek individuality and the concern of managers is not to be advance, but how to remove barriers to real co-operative working so that communicating really can add value to business enterprise. The model we seek to build and deploy does not promote the engagement of non-specialists in competition to manage traditional communication departments. Rather we seek to adoptive greater recognition of corporate dependencies, the need for wider participation in constructing meanings, identity, and knowledge (Deetz, 1992), and shared organizational business goals.

Corporate community is the new form of organization governance that shifts emphasis from profit to democracy by joining the goals of all parties by focusing on the needs of the corporation's constituents (Handy (1995). The <https://assignbuster.com/key-concepts-in-corporate-communication/>

old profit-centered model of business is too limited and limiting because it ignores the reality that business is both an economic and a social organization. Corporate governance can evolve toward partnership among all stakeholders. The shift from profit to democracy requires the creation of a union of investors, employees, customers, business partners, and the public. Such a corporate community can serve all interests better.

In recent years, however, major changes in corporate governance have been happening. Collaboration with stakeholders is now arising as they gain power and because managers need their support. Institutional investors have become more involved in the management of large corporations, including "ethical investors".

The acceptance of strategic management is now prevalent as executives try to control their environment and reduce doubt. Strategy is the art of bringing values and resources together to influence and shape the future (Moore, 1996) is in common usage in the vocabulary of modern management. Strategic marketing is a company-wide that corporate strategic management philosophy which guides the way of working (Brown, 1993). A decision-making perspective may be lacking to deal with the modern business and social environment.

Already under challenge in the 1970s and 1980s, the general model of marketing premised on consumer choice and satisfaction and operation of the four Ps has been criticized as not reflecting reality (Day and Wensley, 1983). Carman (1980) argued that exchange and related concepts such as transaction costs, information alternatives, and power may also be

considered as central to marketing. Day and Wensley (1983) criticize the generally accepted theory of marketing as basic and unfinished in considering major elements of both practice and the discipline.

2. 2. 1 Customer Retention

The Internet is constantly changing the way companies communicate and market to customers. One way that organizations deliver customer service is by responding to customer comments and posts on Facebook, Twitter and other social networking websites. Companies also post messages on websites that alert customers and prospects about upcoming product launches, sales promotions and new publications. Other effective communication vehicles that help companies strengthen their relationships with customers include weekly, monthly and quarterly newsletters, as well as online webcasts. Newsletters and webcasts are common online communication tools for companies that wish to send out a unified corporate message simultaneously to numerous customers, prospects, partners and media personnel.

Chapter 3: Company Background

3. 1 Air Mauritius

3. 1. 1 Background Information

Mauritius is dominated by the tourism industry thus this is where it generates its national income. Just like any other countries, in order to encourage trade, and people to move from one destination to another, the island also has its own national carrier namely Air Mauritius that is the MK airline which has a fish-eating tropical bird symbol " Le Paille-en-Queue".

" The airline industry is a unique and fascinating industry that captures the interest of a wide audience because of its glamour, reach and impact on large and growing number of traveler worldwide" (Chan, 2000). Air Mauritius was set up on 14th June, 1967 one year before Mauritius gained independence, out of two men: Sir Seewoosagur Ramgoolam, the then Prime Minister and Amedee Maingard. They together envisioned a vehicle that would bridge our island to the world in order to achieve economic and cultural emancipation. Forty five years after independence, it is believed that the organization has honored their legacy and accompanied Mauritius in its development fulfilling our status as national airline.

Therefore, it started its operation in August 1972. At that time, the airline company lacked financial support to operate further, the government thus bought 51% and other shares were sold to other organizations and members as well. The company's main base is found at the SSR International Airport, while its main headquarters is in the capital city of the island which is Port-Louis. In addition, the carrier's main partners are: British Airways and the Emirates Airlines. The airline now flies 26 destinations worldwide.

From unassuming beginnings in the early 70's, both the airline and the country grew to become forces to be counted with in the region. In spite of the small size of Mauritius, growth has been spectacular and its remoteness from the global and international financial centers. Air Mauritius has had a major role to play in the country's ability to overcome this geographical disadvantage.

Five years later after operating with a Piper Navajo in August 1972, which was leased from Air Madagascar on a flight betw