

The challenges to
bring petronas logo
as a corporate
identity into global
market



Introduction Difficult to classify as a separate sub function, an organization's identity and image strategy is the most critical part of any corporate communication function.

Image is the corporation as seen through the eyes of its constituencies. An organization can have different images with different constituencies. Image is a reflection of an organization's identity. While image can vary among constituencies, identity needs to be consistent. Identity consists of a company's defining attributes A company's identity is a the visual manifestation of the company's reality as conveyed through the organization's name, logo, motto, products, services, buildings, stationery, uniforms and all other tangible pieces of evidence created by the organization and communicated to a variety constituencies. Constituencies then form perceptions based on the messages that companies send in tangible form.

If these images accurately reflect an organization's reality, then either the strategy is ineffective or the corporation's self understanding needs modification. Identity building and maintenance require a variety of skills, including the ability to conduct marketing research, to design attractive brochures, and to enforce identity standards and cohesion, it should be spread around several different functions in the absence of a single, centralized corporate communication function. Differentiating Organizations through Identity and Image Every industry facing global competition and companies are trying to manage with limited resources, an organization's identity and image might be the only difference that people can use to distinguish one company from the next. A Vision that Inspires Most central to <https://assignbuster.com/the-challenges-to-bring-petronas-logo-as-a-corporate-identity-into-global-market/>

corporate identity is the Vision that encompasses the company's core values, philosophies, standards, and goals. Corporate vision is a common thread that all employees, and ideally all other constituencies as well, can relate to. Thinking about this vision in terms of a narrative or story of sorts can help ensure the overall coherence and continuity of a company's vision and the collective messages it send constituencies.

According to Cees B. M van Riel, a professor at Erasmus University in the Netherlands, explain that, " communication will be more effective if organizations rely on a sustainable corporate story as a source of inspiration for all internal and external communication program. Stories are hard to imitate, and they promote consistency in all corporate messages. " External constituencies rely on articles in publications, television ads, discussions about the company with other people and direct interaction with company employees for information about a company and the story it is telling.

The most appealing of stories, literary and corporate, often involve an underdog-an unsung hero that audiences can admire and rally behind. Going against the grain can instill a sense of noble purpose in the actions of a hero-or an entrepreneur-who hopes to do things differently. Names and Logos Branding and strategic brand management are critical components of identity management programs. Companies often institute the name changes either to signal identity changes or make their identities better reflect their realities.

Andersen Consulting's name change to Accenture is an example for the former. In late 2000, Andersen Consulting founding parent Arthur Andersen

earlier that year, announced a name change that would take effect January 1, 2001. the new company would called Accenture, a play on the words “accent” and “future” that, according to James E. Murphy, the company’s global managing director for marketing and communications, was meant to be “a youthful and dynamic expression of firm’s new positioning as a bridge builder between the traditional and new economies. The name also clearly distinguished the company’s identity from that of its former parent, Arthur Andersen, which had its own, competing consulting division. Logo is a graphical element (ideogram, symbol, emblem, icon, sign) that, together with its logotype (a uniquely set and arranged typeface) form a trademark or commercial brand.

Typically, a logo’s design is for immediate recognition. The logo is one aspect of a company’s commercial brand, or economic or academic entity, and its shapes, colors, fonts, and images usually are different from others in a similar market. Logos are another important component of corporate identity-perhaps even more important than names, because of their visual nature and (which can allow them to communicate even more about a company than its name) and their increasing prevalence across many types of media. Logos can be simply symbols, like the Nike swoosh, or they can be symbols that represent names, like the Target “bull’s eye” or Arm & Hammer’s arm and hammer. Logos can be stylized depiction of names or parts of names (like the “golden arches” that form the “M” in “McDonalds”), or stylized names with added mottos or symbols. Firms that specialize in identity management and design should be involved with the process of logo creation for a company.

Identity Management in Action In a world where attention is focused on quantifiable results, the emphasis here is on qualitative issues. Devising a program that addresses these elusive but significant concerns requires balancing thoughtful analysis with action. Here is a method that has been successfully used by many organizations to manage the identity process: 1. Conduct an Identity Audit To avoid superficial input and objectively respond to these questions, consultants from the hundreds of "identity firms" conduct in depth interviews with top managers and those working in areas most affected by any planned changes. They review company literature, advertising, stationery, products, services and facilities.

They also research perceptions among the most 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. Companies trying to change their image are particularly difficult to audit because the vision that top executives have of what the company will be is so different from what the reality currently is. The reality of the organizations must be far enough along in the change process so that the new image the company is trying to adopt will actually make sense, some day at least, to those who will encounter this company in the years ahead. 2. Set Identity Objectives Having a clear goal is essential to the identity process.

These goals should be set by senior management and should explain how each constituency should react to specific identity proposals. Most managers-particularly senior managers-are internally focused and thus has great difficulty in getting the kind of perspective necessary to see things

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from the viewpoint of constituents. 3. Develop Designs and Names Once the identity audit is complete and clear objectives have been established, the next phase in the identity process is the actual design. If a name change is necessary, consultants must search for alternatives.

This is a step that simply can not happen without the help of consultants because so many names are already in use that companies need to avoid any possibility of trademark and name infringement. Even so, options for change can still number in the hundreds. Usually, certain ones stand out as more appropriate. The criteria for selection depend on several variables.

Companies should also ensure that logos continue to reflect accurately the company's reality, and should consider modification if they do not. The process of designing a new look or logo is an artistic one, but despite contracting professionals to develop designs, many company executives get very involved in the process, often relying on their own instincts rather than the work of someone who spend his or her entire career thinking about design solutions. Obviously, there has to be a balance between the professional opinion of a designer and a manager's own instincts. Both need to be a part of the final decision whether a name change or just a new logo is involved.

4. Develop Prototypes Prototypes packaging shows how the brand image may be used in advertising. If a retail operation is involved, a model of the store might be build. In other situations, the identity is applied to everything, including ties, T-shirts, business cards and stationery, to see how it works in practice.

Two ways to deal with the task are to let a strong leader champion the new design or to set up a strong committee to work on the program. In either approach, everyone has to be informed about the project and involved in it from the beginning: the more people involved in the process from its inception, the less work necessary to sell the idea after much hard work has already taken place. . Launch and Communicate. To build drama into the announcement, public relation staff should be creative in inviting reporters without giving away the purpose. One company sent six-foot pencils and a huge calendar with the date of the press conference marked on it to announce their change.

At the press conference itself, the design should be clearly displayed in a variety of contexts and senior executives must carefully explain the strategy behind the program. As additional communication tools, corporations might want to use advertising, web casts, or video news release or satellite links. Whatever the choice, remember that presenting an identity, particularly for the first time, is a complex process, as it is easy for constituencies to interpret the change as merely cosmetic rather than strategic. 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 constituencies have in the old identity. Implementing an identity program is a communication process involving lots of interpersonal savvy and a coordinated approach to dealing with many constituencies. Image: In the Eye of the Beholder Organizations should seek to understand not only

their image with customers but also other key constituencies such as investors, employees and the community.

Often, a company's image with a given constituency is driven not only by its own unique corporate identity, but also by the image of the industry or group it belongs to. Building a Solid Reputation The foundations of a solid reputation exist when an organization's identity and its image aligned. Reputation differs from image because it is built up over time and is not simply a perception at a given point in time. It differs from identity because it is a product of both internal and external constituencies, whereas identity is constructed by internal constituencies. Additionally, reputation is based on the perceptions of all an organization's constituencies.

Why Reputation Matters A strong reputation has important strategic implications for a firm, because, as a Fombrun notes, " it calls attention to a company's attractive features and widens the options available to its managers, for instance, whether to charge higher or lower prices for products and services or to implement innovative programs. Companies with strong, positive reputations can attract and retain the best talent, as well as loyal customers and business partners, all of which contribute positively growth and commercial success. Reputation can be also help companies to better weather crises. The changing environment for business has implications for reputation. Public confidence in business is low and public scrutiny of business is high. Against this backdrop, organizations are increasingly appreciating the importance of strong reputation.

Measuring and Managing Reputation In assessing its reputation, an organization must examine the perceptions of all its constituencies. Many PR firms have developed diagnostics for helping companies conduct this research. While one size does not fit all when it comes to measurement programs, all of them require constituency research. Employees can be a good starting point, as they need to understand the company's vision and values and conduct themselves in every customer interaction with those in mind. Customer perceptions of an organization must also align with the organizations identity, vision and values. Case study : THE CHALLENGES TO BRING PETRONAS LOGO AS A CORPORATE IDENTITY INTO GLOBAL MARKET.

INTRODUCTION PETRONAS is the acronym for Petroleum Nasional Berhad, which is Malaysia's national petroleum corporation. It was incorporated on August 17, 1974, under the Companies Act, 1965, and is wholly owned by the Malaysian Government. The entire ownership and control of the petroleum resources in Malaysia rests with PETRONAS through the Petroleum Development Act, 1974. PETRONAS is an integrated international oil and gas company with business interests in more than 35 countries, and four subsidiaries listed on the Malaysian Board.

As at end of March 2004, the PETRONAS Group comprised 93 wholly-owned subsidiaries, with 19 partly-owned outfits and 55 associated companies.

PETRONAS is today ranked among the fortune global 500 largest corporations in the world. It is certainly a tale of success, and deserves to have its success highlighted. Following are the questionnaire interview I did with the Corporate Affairs (prefer didn't mention the name) in PETRONAS. Q:

What are the main BUSINESS ACTIVITIES of PETRONAS? A: As we know, the <https://assignbuster.com/the-challenges-to-bring-petronas-logo-as-a-corporate-identity-into-global-market/>

main business of PETRONAS is engaged in the exploration and production of oil and gas; oil refining; marketing and distribution of petroleum products; trading; gas processing and liquefaction; gas transmission pipeline network operations; marketing of liquefied natural gas, petrochemical manufacturing and marketing; shipping; and property investment. Q: How many employees working in PETRONAS? A: As at 2005, a total number of 32, 716 employees worked for PETRONAS and now more than that as we are growth.

Q: Can you please tell me history of PETRONAS? A: PETRONAS entered the local market in 1987, and went international in 1993. The PETRONAS group has registered an impressive performance for the year 2005, which is considered to be the best in all the 30 years of its existence. Such an impressive performance has added luster to the organization. As at march 31, 2005, The PETRONAS group had registered revenues of rm137. 5 billion.

Its profit before taxation was rm58 billion, while the net profit amounted to rm35. 6 billion. Total assets amounted to rm239. 1 billion, while the shareholders' fund was rm129.

billion. It is heartening to mention that nearly 80% of its revenue was generated outside Malaysia, meaning that this was comprised of revenues from international operations and exports. Thus its business performance has been highly impressive. The Mission Statement of PETRONAS is defined as follows; – We are a business entity – Petroleum is our core business – Our primary responsibility is to develop and add value to this national resource – Our objective is to contribute to the well-being of the people and the nation Likewise the Vision Statement of PETRONAS is equally catchy.

It reads: – To be the leading oil and gas multinational of choice. Also I can mention to you, the shared values of PETRONAS are as follows: – Loyalty – loyalty to the nation and corporation – Professionalism – committed, innovative and proactive and always striving for excellence. – Integrity – honest and upright – Cohesiveness – united in purpose and fellowship Q: Now we move to the questions for our main topic. What is the Brand Name? A: PETRONAS brand name taken by the name it self and our logo we take only from the first letter “ P”. The PETRONAS logo is a story in itself. The logo was conceptualized and designed by a local design firm, Johan Designs.

The original design underwent some changes to meet the needs of the changing times. The PETRONAS logo is a combination of a drop of oil with the typographic letter ‘ P’ in the form of a triangle in the top right corner. The triangle represents directional movement and dynamism. The solid circle within the logo indicates the wheel of progress. The emerald green color is indicative of nature, representing oil resources from the sea. However, the color itself is a unique green, which they proudly refer to as the “ PETRONAS GREEN.

The color has been registered in the European Union. Q: What is The Brand Value of PETRONAS? A: Is clearly spelt out as TRUSTED, PASSIONATE, PROGRESSIVE, ENRICHING. The PETRONAS logo was sent for registration with the then Intellectual Property Division of the Ministry of Domestic Trade and Consumer Affairs in 1987. Q: How you do brand promotional for this Logo? A: The core of any brand is its promotion. The ultimate aim of any brand development is winning over customers, which PETRONAS has very

successfully done, and continues to do. PETRONAS has carried out well-calculated and concerted efforts to promote its brand.

Several approaches had been tried, direct and indirect. The most direct form of brand promotion is certainly the logos that appear on the products themselves. In Malaysia, PETRONAS is the most popular, and foremost among gas stations (in Malaysia they are called petrol stations) that are found in even the most remote corners of the country. In several areas where competitors hesitate to operate, PETRONAS petrol stations provide services to the rural people.

Today, there are more than 700 PETRONAS petrol pumps in the country. PETRONAS has also become a household name for cooking gas which has found its way into many homes. PETRONAS cooking gas cylinders are easily available in any part of the country, including the most remote areas. Promotional activities come in many forms. In-house publications are very good promoters of the brand. PETRONAS is again very well-advertised through the print and electronic media.

Advertisements appear from time to time in the leading local dailies in the English, Malay, Chinese and Tamil languages in order to cover all the major ethnic groups in the country. PETRONAS also advertises in special souvenir books released to mark important events. Billboards are found in several parts of the country, often at strategic points, where Malaysians converge for various types of activities. Then there is the indirect approach, which equally wins the hearts of the Malaysians, irrespective of race or religion. Malaysia is a multi-racial, multi-cultural, and multi religious country.

Therefore, one would expect there to be a wide range of religious festivals. PETRONAS has always seized such opportunities to contact the communities through tailor-made advertisements on the occasions of Christmas, Deepavali, Hari Raya Puasa, the Chinese New Year, and Vesak Day. These advertisements have created tremendous and indelible impacts in the hearts of the communities concerned. Such forms of advertisement, offering good wishes to the various communities continue to be the talk of Malaysia for months afterwards.

Q: Is it PETRONAS do another brand promotion aside of advertisement? A: Yes. One other area of brand promotion is through the social-outreach program. PETRONAS offers scholarships to various categories of students, ranging from secondary school students right up to students on degree programs. This has been one area that is proudly mentioned by Malaysians – beneficiaries and observers.

Scholarships are also given in places where PETRONAS operates such as Kerteh in Terengganu state where the PETRONAS oil refinery is located, Gurun in Kedah where another plant operates, as well as in the States of Sabah and Sarawak. To date PETRONAS has offered numerous scholarships for students pursuing diploma and degree courses at local and foreign institutions of higher education in various fields. In this way, PETRONAS has also been instrumental in creating a large educated class with enhanced human resource capabilities, at a time when the country is on a path towards achieving a developed nation status by the year 2020. Q: What is the

important of PETRONAS Logo? A: PETRONAS' logo plays another important role at the prime entry point in Malaysia. Trolleys for transporting baggage at <https://assignbuster.com/the-challenges-to-bring-petronas-logo-as-a-corporate-identity-into-global-market/>

the Kuala Lumpur International Airport carry an advertisement for PETRONAS.

Immediately after clearance of immigration, inbound tourists seek out trolleys to transport their baggage to the pick-up points outside the airport. It is on these trolleys that we see PETRONAS advertised. Here the company becomes the first greeter, welcoming foreigners as well as Malaysians who are returning home. This first impression creates an impact on the minds of visitors to Malaysia.

Q: What are the challenges to introduce PETRONAS as a worldwide brand? A: The challenges are, how we bring PETRONAS into global market not only in Malaysia or Asia but also in Europe, US and Australia. We want global market knows about PETRONAS. Another challenge is how we realization our passion. That is why, we promotes the programs called PETRONAS Adventure Teams.

This is the programs that organize four-wheel drive and motorcycle expeditions locally and abroad. Q: Last question, can you explain about the importance of this program in order to introduces PETRONAS Logo into global Market? A: This is very important because PETRONAS Adventure Teams carrying the PETRONAS logo across the globe. This is termed brand communication. The PETRONAS Tech Tour is an educational mobile exhibition platform through which PETRONAS communicates its brand to the community as the titular sponsor of the PETRONAS Malaysia Formula 1 Grand Prix as well as part of the SAUBER Formula 1 Team. Launched in 2001, the PETRONAS Tech Tour has so far traveled to 90 locations nation-wide. The

Tour promotes 10 brands through the Malaysian International Shipping Corporation, PETRONAS Primax, Bridgestone Tyres, Volvo Trucks/Samsung Electronic, PETRONAS Mesra Stores, and PETRONAS Motorsports.

PETRONAS first entered international motor sports in 1995 when it became the main sponsor for the Swiss-based SAUBER Formula. One Team, and its logo has been seen Worldwide. There are also several PETRONAS institutions that promote the brand. Foremost is of course the PETRONAS Twin Towers, which are the tallest twin towers in the world where PETRONAS has its headquarters.

The building itself is a leading promoter of the logo at the global level. In this building is the Philharmonic Hall which is famous for musical events.

CONCLUSION An organization with a clear corporate identity that represents its underlying reality and is aligned with the images held by all of its constituencies will be rewarded with a strong reputation. Reputation success, in turn, matures into pride and commitment-among employees, consumers and the general public, and these qualities are irreplaceable assets in an intensely competitive global business environment. It is the firm opinion of that PETRONAS has been unique in promoting its brands.

While it is through mere advertisements and direct brand promotions that any business attracts customer loyalty, moreover, PETRONAS has taken the path of social service brand promotion in winning the hearts of its customers. In this way PETRONAS has demonstrated a new path and I am proud to have written the success story of this prestigious organization. **REFERENCES** Alsop, R. (2002). Reputations Rest on Good Service.

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