

Corporate marketing philosophies: pros and cons



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1. 1 Introduction

This essay will critically discuss the philosophies and pros & cons of corporate marketing making references to the work of Balmer and Geysler. The essay will also examine the historiography or the phases through which the corporate marketing has passed through over the few decades.

Before understanding the concept of corporate marketing, we should first try and understand the reasons for the evolution of the term corporate marketing.

According to Balmer 1998, corporate image is interpreted in numerous ways by different writers. The concept has negative association and the literature work in the field has shown that the image association can be perceived differently by groups of stakeholder. The concept of corporate image management has been challenged by many writers and many literary works suggest that the stakeholders are not always important for the organization.

The other concept corporate branding is useful but many companies have failed to develop a corporate brand. Therefore the term is ruled out.

Visual graphics has been given more emphasis in corporate identity making it a debatable topic. Thus these concepts can be considered as the building blocks of corporate marketing which can be the umbrella title for this era.

1. 2 Understanding Corporate Marketing

The term corporate denotes that the area of concern is strategy. Its importance is that the CEO and the board of directors are familiar with the strategies within the organization. The basic principle of the term marketing

has been the diverse perspectives. The term marketing has been related with corporate earlier also and few related concepts have already been accepted widely for example IMC, green marketing etc.

So what is the difference between Marketing and Corporate marketing?

The profitable exchange relationship will remain one of the main features of corporate marketing but the emphasis will be on multiple exchange relationship and the corporation will be less concerned with the ownership; they will see themselves as a part of a network.

(Balmer and Greyser, Epilogue, Revealing the corporation, pg348 to 350).

So to put it in a nutshell, Corporate Marketing is a group of corporation which has a single corporate ethos, aim and values (philosophy) that binds the company and its image, branding, reputation, identity, communication, customers and stakeholders.

1.3 Pros and cons of corporate marketing

The works in the field of corporate marketing can provide meaningful insight to thinking on the larger corporate-level area. The area of concern is strategic therefore its importance is such that the CEO and directors are familiar with the scope and significance on a regular basis. Communication, image, reputation, and branding are key concepts within the marketing domain, although marketing scholars and practitioners frequently incorporate others, such as identity but these concepts are conceived in context of the product or brand rather than the corporation but corporate marketing will help to view all the above concepts as one.

The term corporate marketing is not a new term. Kotler and Levy (1969) had recommended that the marketing concept should be broadened so as to cover any organisation and that it should be able to be applied to all areas of business and not just product-dominated organizations.

The corporate marketing is a very wide term so it is not possible for a head of a department to handle it. It requires a senior board position such as Deputy chief executive. The person should be highly qualified with the knowledge in the fields like planning, organizational behavior and communications etc. The area is also too wide to be covered in a single degree course and the area will require inputs from non- management courses such as philosophy.

Finally, the consultancies are still not familiar with new insights in corporate identity. They occupied in producing systems of visual identifications for organizations.

(Balmer and Greyser, Epilogue, Revealing the corporation, pg348 to 350)

(Balmer, Journal of Marketing Management, pp. 963-996(34))

1. 4 Historiography of corporate marketing

According to Balmer and Greyser the corporate marketing have passed through several eras before reaching the present though the focus has always been the customers as correctly said by Frank Taussig, a former President of the American Economic Association stated back in 1912 that, “ We must accept the consumer as the final judge” (The Economist, 2006).

1950-1970- Corporate Imaging

There was more stress on the concept of corporate image in the period of 1950 to 1970. Corporate image is the consumer perception of the corporate entity behind a brand. In a few cases, the corporate entity is known and the image has a positive influence on brand sales, such as Apple. In other cases, the corporate image acquires negative connotations such as BP did following the oil spill in Gulf of Mexico. According to Balmer (1998), there are three paradigms to corporate imaging. These are

Psychological Paradigm- Use of symbolic relation eg logos (Bromley, 1993; Grunig, 1993).

Graphic Design Paradigm- Use of visual graphics for companies philosophies, values etc to make it fashionable. (Balmer 1995).

Marketing and Public Relation Paradigm- An understanding of the experiences, beliefs, feelings about and knowledge of an organisation, as held by an individual, group, or groups (Bernstein, 1984, cited in Balmer 1998)

(Balmer, Journal of Marketing Management, pp. 963-996(34))

1970-1980: -Era of Corporate Identity and Corporate Personality

Corporate Personality can be defined as the view and opinion of the personnel within the organisation. By this time it was imperative for the companies to understand that the most their own staff were an important part of the organisation. The companies understood that it was necessary to

train their staff and make sure that they were in line with the company's philosophy, mission and values.

The concept of corporate identity is still debatable. According to Balmer (1998), there are groups which consider the Latin meaning of the word identity i. e. " same" and connect it to logos, images and visual branding.

Whereas there are other groups which use the word " identity" when referring to the distinct attributes of an organisation, i. e. " what it is".

Balmer 1995, cited in balmer 1998.

There are few instances when the corporate identity, image and reputation are not in synchronization with each other this usually happens due to bad corporate communication.

Therefore the companies need to have a good corporate image in the eyes of the stakeholders and a favorable corporate reputation.

According to Balmer and Greyser (revealing the corporation Pg 42), Identity can be regarded as Triquadri Orbis.

Visual identification

Staff identification

Distinct attributes of the organisation (' who are we', ' what are we').

Mid-1980s-mid-1990s

This era was the dawn of corporate communication and corporate reputation.

Corporate reputation

A corporate reputation is a set of attributes ascribed to a firm inferred from a firm's past actions. (Weigelt and Camerer (1988 pl), cited in Balmer 1998)

Fombrun and Van Riel (1997) have identified six distinct academic literatures in relation to Corporate Reputation. This is shown in Figure 2.

Discipline

Categorization of Reputation

Economics

Reputation viewed as traits or signals. Perception held of the organisation by an organisation's external stakeholders.

Marketing

Viewed from the customer or end-users perspective and concentrates on the manner in which reputations are formed.

Organisational

Behaviour

Viewed as the sense-making experiences of employees or the perception of the organisation held by an organisation's internal stakeholders.

Accountancy

Reputation seen as an intangible asset and one that can or should be given financial worth.

Sociology

Viewed as an aggregate assessment of a firm's performance relative to expectation and norms in an institutional context

Strategy

Reputation viewed as assets and mobility barriers.

Figure 2. Categorization of Corporate Reputation According to Various Literatures

Source: Balmer 1998, cited in Fombrun and Van Riel (1997).

Figure 3 Defining corporate reputation (Manto Gotsi, Alan M. Wilson, (2001) “Corporate reputation: seeking a definition”, *Corporate Communications: An International Journal*, Vol. 6 Iss: 1, pp. 24 – 30)

Thus corporate reputation is the perception that is build up over the period of time considering the past action of the company. Since Fombrun research, lot of studies has been done on corporate reputation which is been greatly helpful in expanding the knowledge on this concept.

Corporate communication

In the mid 1990's companies realized that the corporate communication strategies are not only useful from customers' point of view, but it is also very important from shareholder's perspective.

According to Balmer (2009), the Dutch scholar Van Riel (1995) argues that there are three stands of communication; management communication

(employee focus), marketing communication (customer focus) and organizational communication (stakeholder focus).

The work of Stephen Greyser, Harvard Business School Professor, has been the greatly acknowledged in the field of corporate communication. He even started a course in corporate communication in Harvard Business School.

Mid 1990's till Present

Corporate Branding and the dawn of corporate marketing

Corporate Brand is the covenant or a promise between an organization and the stakeholders or the customers. It conveys what the company can deliver in terms of product, or customer experience. It can be aspirational, for example, apple promises innovation and quality to the customers.

To get a better picture let us try to understand corporate brand covenant.

It is “ a promise or a pledge made by business organisations to stakeholders. These promises, no matter how minute they may be, are binding upon business organisations – and they are seen as the parameter upon which corporate brand performance is measured.”

The notion of promise can be stated in four stages:

God/firm Level – God has a personality so does a firm. A firm presents themselves like a god who knows everything within their business area.

Message Level- Gods presents its covenant to man in the form of a message which is irreversible. The firm also conveys its personality or identity to the

stakeholders through corporate communication which is in a way a promise to the stakeholder to remain in the business.

The man/stakeholder level and reputation levels- The gods covenant is interpreted by man which then develops the reputation of God. Similarly the corporate personality conveyed by the firm is interpreted by the people concerned with the organisation which then develops positive or negative reputation.

Source: Olutayo Otubanjo, Temi Abimbola, Olusanmi Amujo, (2010) “ Conceptualising the notion of corporate brand covenant”, Journal of Product & Brand Management, pp. 410 – 422

Figure 4: comparison of biblical and marketing notion of covenant

Source: Olutayo Otubanjo, Temi Abimbola, Olusanmi Amujo, (2010) “ Conceptualising the notion of corporate brand covenant”, Journal of Product & Brand Management, Vol. 19 Iss: 6, pp. 410 – 422

According to Balmer (1998), several distinct concepts have evolved since 1950: perception of the company by external environment, visual identification and symbolic relationship between the company and the people, corporate personality and identity, how it is perceived by the stakeholders and corporate branding. Corporate branding is closely linked to marketing and the various aspects of the business therefore this theory could lead to the advent of corporate marketing.

1. 5 Conclusion

Till date the concept corporate identity and corporate marketing has been vague but it is very clear that though there has been emphasis on different concepts in different phases, the organization needs to understand that the key to good image and reputation is through corporate identity. It is possible that corporate identity will evolve into a broader term called corporate marketing which will encompass the various management concepts used till date.

Corporate marketing will be an organization wide philosophy which would keep in mind that the stakeholders are as important as the customers. It is like a super term wherein the key management concepts like corporate - identity, branding, communication and reputation are combined together to form a single organizational philosophy. Corporate Marketing I future will be applied to the areas where there is a relationship between the organization and the various stakeholders

PART (B)

2. 1 Introduction

In the second part of the essay I will be critically analysing Balmer's Marketing Mix and Balmer's 6C making reference to his work. It is very clear that marketing is undergoing through paradigms shifts which are evident from ascendancy of the management concepts.

The focus on various stakeholders is as important as the customers, therefore Balmer extended the original 4 P's to 11P's. The new marketing mix shifts the focus from the product to organisation as a single entity. Balmer then later simplified the 11P's to 6C's which can be used by seniors executives to follow the mission of the organisation.

2. 2 Balmer's Marketing Mix (1998)

The original Marketing Mix was given by Borden which was simplified by MCarthy to 4P's, which is easier to remember and recall. In 1998, Balmer extended the marketing mix to 10 elements to articulate the new Marketing Mix. He later added an eleventh ' P' so as to take account of corporate brand.

Product

What the organisation sells or does

Perception

The reputation held of the organisation

Philosophy and Ethos

What the organisation stands for, the way it undertakes its work and activities.

Price

The valuation its brands (corporate, services and product). What it charges for its products and services.

11 P's of marketing mix

People

In addition to customers: the organisation's internal and external constituencies and communities

Place

Selling and distribution of products and services.(Franchising, outsourcing, licensing).

Promise

The expectations associated with the corporate brand and the promise underpinning the corporate brand

Performance

Quality of products and services.

Standards vis a vis issues of governance, ethics and social responsibility

Promotion

Co-ordinated corporate communications

(Corporate advertising, corporate PR, visual identification etc.)

Positioning

The organisation's position relative to its

competitors

Personality

The critical role of personnel vis a vis corporate marketing activities.

Figure 1: The 11 Ps of Corporate Marketing Mix Explanation (Balmer 1998)

Source:- Balmer and Greyser, Epilogue, revealing the corporation, pg 348-355

2.3 Merits and Demerits of Corporate Marketing Mix

The focus of 4P's been in terms of products and services rather than corporation. Balmer's 11P's can be orchestrated to underpin the new gestalt of organisations. The 11P's are not only profit orientated but also focuses on the survival of the business. One of the major component of corporate marketing is coordinated organisational activities therefore the corporate marketing mix helps to understand the present needs and wants of the stakeholders

The corporate marketing mix also tries to balance the current shareholders demands and the societal needs with those of the future.

Since the Marketing mix are extended to 11P's, the communications mix will need to be extended in order to encompass the many stakeholder groups which are of importance to organisations, as well as taking into account the numerous channels of communication.

Corporate Marketing Mix given by Balmer has the similar problem as Borden's marketing Mix; it had the difficulty of remembering and recalling. Therefore Balmer simplified the mix to Balmer's 6C.

(Comprehending Corporate Marketing and the Corporate Marketing Mix

J. M. T. Balmer Working Paper No 06/08 March 2006 and Revealing the corporation), (Balmer and Greyser, revealing the corporation, pg 349-355).

2. 4 The Six Dimensions of the revised Corporate Marketing Mix “ The 6C's”

CHARACTER

Corporate Identity: What we are

It is the factors that differentiate or one entity from another. The distinct feature can be tangible and intangible such as corporate ownership and structure, corporate philosophy and corporate history

CULTURE

Corporate Culture: what we feel we are

It is the views of the staff about the organisation.. These beliefs are derived from the values, beliefs, and assumptions about the organisation and its historical roots and heritage.

CONSTITUENCIES

Corporate Governance: Whom we seek to serve

The philosophy of corporate-marketing depends on the needs and wants of the stakeholders such as employees, investors, local community etc) because without their support it will be difficult for the organisation to exist.

CONCEPTUALISATION

Corporate Image and Corporate Reputation: How are we seen?

It is the perceptions of the corporate brand held by customers and other key stakeholder groups.

COMMUNICATION

Corporate Communications: What we say we are

Corporate communications is the controlled message from the organisation to the customers and the stakeholders.

COVENANT

Corporate Brand: What is promised and expected

A corporate brand is like a contract, which can be compared to a covenant holder groups often have a religious-like loyalty to the corporate brand. Failure to acknowledge the contract could lead to bad reputation and identity.

2. 5 Merits and Demerits of Balmer's 6C.

Balmer's 6c is the revised version of rather than a mix collected together for a department. The importance components of the six dimensions Balmer's
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11P's so it is easier to remember and recollect. It is an organisation-wide philosophy are clarified by the questions underpinned with each element. It provides the senior executives key elements that inform corporate marketing paradigms. However, the dimensions are aligned symmetrically, therefore the relationship of each element should be taken in a broader aspect.

The senior executive should not follow the same structure of the elements as it is not attainable. They should view the dimensions in a broader perspective and a dynamic alignment because identities are always in the making. A rigid alignment of the elements could be hazardous.

(Corporate marketing: apocalypse, advent and epiphany, J. Balmer, pg 544-572) (Comprehending Corporate Marketing and the Corporate Marketing Mix J. Balmer Working Paper No 06/08 March 2006)

2.6 Comparison of Balmer's Marketing Mix and Balmer's 6C

6C is basically the shortened version of marketing mix. Balmer revised it so that it will be easier to remember and recall.

Philosophy (what company stands), Product (what company does), Price (what it charges for the products), Place (distribution), Performance (quality) and Personality (organisation's position relative to its competitors) from Balmer's marketing mix is combined together to form Character which is one of the C's.

Personality (what the staffs' perception about the company) similar to culture

Promotion (advertising, pr etc at corporate level) similar to communication

People (internal and external communities) similar to constituencies

Perceprtion(perception of the stakeholders) similar to conceptualisation

Promise (expectation associated with the brand) similar to covenant.

2. 7 Conclusion