

# Critical aspects of corporate marketing business essay



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## **Introduction**

In this paper I have tried to highlight and discuss some of the critical aspects of corporate marketing and its stance in the heights of recent developments, making reference to the work of Balmer and Greyser (2003), Balmer (1998, 2006, 2009). For an understanding of what corporate marketing actually stands for I would go through the development phases as stated by Balmer, throughout decades starting from 1950's which leads to the development of corporate marketing. Some of the key concepts such as corporate image, corporate identity and corporate communication have also been critically examined, which are the foundations of corporate marketing as it stands today.

Corporate marketing are those activities which are not usually identified with an organizations products or services. However, it can significantly affect the evaluation of a product or service offered by an organization (Balmer and Greyser, 2003). Corporate marketing concerns with the exchange of relationships with stakeholder groups and build and maintain valuable networks for an organization. However, " Marketing" is the process by which an organization facilitates to educate customers and develop customer interest in their products or services.

Since the 1950's various concepts like corporate image, corporate identity, corporate reputation and corporate communications have captured the imagination of scholars and practitioners. All the concepts throughout the decades created the foundation for corporate marketing. They were best suited to the needs of the marketing practices during those decades and

made it easier to understand how an organization functions as a marketing entity. But the fact that individuality can be limited made Balmer realize that it would be more beneficial to have an integrated approach to corporate marketing by evaluating all the concepts from previous decades and comprehending them into a more solid platform (Balmer 1998, 2006).

The wide acceptance of corporate marketing was acknowledged by Balmer as:

“ Corporate marketing has a general applicability to entities, whether they are corporations as well as other categories such as business alliances, cities, government bodies and departments, or branches of the armed forces and so on.” (Balmer, J. M. T., Powell, S. (2008), “ Corporate & Organizational Marketing”, Available at: <http://www.corporate-marketing.org/what-is-corporate-marketing/>)

An organization can gain strategic advantage from its corporate image, corporate identity, corporate brand, corporate communications and corporate reputation. However, lack in any of these can create a disadvantageous scenario to the organization. So it is very important to segregate a corporate brand from a product brand and treat them separately. Otherwise the consequences can be very fatal. As Balmer (2009, p. 3) observes the matter in the following way:

“ A failure to understand and to communicate your organization’s key identity traits is rather like driving at night without your lights on: you do not know where you are and you do not know where you are going; others do

not know who you are and that you are there. Characteristically, crash ensues and this can be cataclysmic.”

An organization can be so focused to make its product brands well known; they tend to fail communicating its corporate brand. It is very important for an organization to identify it and undertake corporate marketing initiative to gain strategic advantage. This would ensure a well known corporate brand identity that would influence the brand in terms of consumer buying behavior (Balmer, 2009).

### **Major development phases of corporate marketing:**

The roots of corporate marketing can be traced back to the basic marketing function as suggested by 4Ps of marketing mix, price, product, place and promotion by McCarthy (1964). The theories and practices evolved with time due to the changes in the external environment of an organization.

Furthermore, we look down into the different phases which lead to the development of an integrative concept of corporate marketing by Balmer (2009).

#### **Phase 1: (1950's to early 1970's)**

The main focus then was on building and managing corporate image. Researchers emphasized on the relative importance of perception of a corporate image, which eventually affects consumer behavior. Corporate images usually vary between different stakeholder groups or individuals, which can affect an organization in either a positive or negative way (Balmer 2009). The micro factors influencing corporate image can be the symbolic relationships between an organization and its stakeholders such as its name,

logo, and visual representations of the corporation through graphics designing can exert an influence on image.

## **Phase 2: (1970's and early 1980's)**

The prime focus was on discovering corporate identity and giving more emphasis on it rather than corporate image. However, corporate identity being more conceptual than corporate image (more functional approach), it doesn't disregard the traits of corporate image. Corporate identity is a way by which a corporation wishes to portray itself to its stakeholders and defines who they are, while making use of the trait of corporate images such as designing and visual representations. Balmer (2009, p. 551) refers to the matter in his journal as:

“ As such, corporate identity refers to an organization's innate attributes as well as to the deployment of graphic design to convey an institution's actual or desired identity.”

## **Phase 3: (1980's to mid 1990's)**

This was the phase when a comprehensive interest to study the corporate marketing segment started to grow big, with more emphasis on corporate branding. The focus was on three things; corporate communications, corporate reputation and organizational identity. A corporate communications strategy reveals an organization's purposes, philosophy, and intentions to stakeholders. The absence of a properly defined communication strategy can result in distorted or contradictory corporate image and reputation (Balmer 2009).

Corporate reputation can be often viewed as a closely related parallel yet distinctive concept. Corporate reputations have the following traits (Fombrun and Rindova, 1996 cited in Balmer 2009, p. 554):

It is historically rooted

It is of saliency to external and internal publics

Dependant on past activities and achievements

Evaluated in terms of benefits derived by a stakeholder group

Enables an organization to stand out from others

These were the major phases discussed in brief which led to the evolution of a more integrative concept called Corporate Marketing.

## **Pros of Corporate Marketing**

It is a broadened approach that encompasses an entity rather than focusing on individual components.

The concept allows getting beyond the boundary of products and service and considering the corporation as a whole.

It is strategic in nature and strength of an organization's corporate marketing strategy can give institutions a strategic advantage (Balmer, 2009).

All the key concepts which lead to the development of corporate marketing concept are from marketing domain. Concepts such as communication,

image, reputation, branding, and identity are the foundation for corporate marketing (Balmer and Greyser, 2003).

It is backed by growth in the rise of new areas in marketing such as internal marketing, relationship marketing, service marketing, green marketing etc; also in the area of communication such as integrated marketing communication (Balmer and Greyser, 2003).

Each concept from corporate marketing has developed new management areas. These insights are of significant benefits to senior executives in shaping an organization (Balmer, 2009).

## **Cons of Corporate Marketing**

Corporate marketing being a relatively new concept, its acceptability is yet to be profound.

It is often interpreted in different ways. Several authors have pointed out that there are various definitions available which might be contradictory. The word image means imitation in Latin and some define it as a set of beliefs, ideas and impression held about an organization (Cultlip 1991 cited in Balmer 1998, p. 968). Image can also conceptualize concepts such as message, reputation, perception, cognition, attitude, communication and relationship (Grunig 1993, cited in Balmer 1998, p. 969).

The concept may have negative associations attached with it. An author suggested that corporate marketing activities are management activity which deals with shadows and illusions (Bernays 1977, cited in Balmer 1998, p. 969). Another author implied that it involves the use of sophisticated

techniques of manipulation and makes it pretentious and sinister (Olins 1979, cited in Balmer 1998, p. 969).

The views of corporate marketing have been challenged quite often. An author questions the existence of such thing as Image Management and suggested that favourable corporate image can be achieved only by formulating a effective marketing communication mix (Keneddy 1977, cited in Balmer 1998, p. 969)

The concept presumes that both individuals and stakeholders will hold similar perceptions of an organization. There might be significant difference between various stakeholder groups and individuals (Lord Saatchi 1998, p. 23, cited in Balmer 1998, p. 970). Another author argued that different individuals have different perceptions of an organization. So focus should be on the needs of each stakeholder (Abratt 1989, p. 74, cited in Balmer 1998, p. 970).

Different authors sometimes fail to consider that not all stakeholder groups are of equal importance to an organization (Balmer 1998).

## **Conclusion**

Corporate marketing has evolved as a broader concept over the decades and it covers many other territories that its predecessors could not address before. It can be referred to as a holistic view towards understanding how an organization operates within the marketing boundary. As Balmer (2006) suggested, corporate marketing can be seen as more of a philosophy rather than a function. For this reason the mix elements should be seen as

informing an organizational-wide philosophy rather than as encompassing a <https://assignbuster.com/critical-aspects-of-corporate-marketing-business-essay/>



mix of elements to be orchestrated by a particular department. What I believe from studying the work of Balmer is that, even though it has been critically challenged over its various stages of development, now the concept stands more refined and more accommodative towards the wide spectrum of organizational issues.

## **Part-B**

### **Introduction**

The significance of corporate marketing is becoming prominent gradually and marketing scholars have been plotting extensive theories to cater to such needs as suggested by the work of Balmer (1998, 2006, 2009) and Balmer and Greyser (2003). I have tried to look into the development of original 10Ps of corporate marketing from traditional marketing mix and its further evolution into 6Cs of corporate marketing as it stands today. The corporate marketing mix was originally formulated by Balmer (1998) which was the 10Ps; later he formulated a more integrative corporate level concept called 6Cs of corporate marketing (Balmer, 2006).

### **The 10Ps of corporate marketing**

Balmer (1998) extended the original 4Ps of marketing mix of Price, Product, Place, and Promotion (McCarthy, 1964) into a set of 10 different components to cater to specific corporate marketing analogy. These are briefly discussed below:

Philosophy and ethos: This refers to the core construct of an organization stating what they stand for and how they undertake work and related activities.

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**Personality:** The critical roles that an organization plays in order to deliver in line with its corporate philosophy and ethos.

**People:** They are the employees of the organization, who essentially are the key to produce, deliver or communicate the products and services to different stakeholder groups. This also requires a strong HR practice in an organization.

**Product:** What the organization actually makes or does as their core business, typically products and/or services.

**Price:** What an organization charges for its products and services

**Place:** How an organization formulates and maintains its distribution channels in terms of selling and distribution of products and services.

**Promotion:** These are the branding policies of the organization concerning advertisement, public relations, visual identity etc towards various groups of stakeholders.

**Performance:** This is an organizations performance rated by its stakeholders based on the quality of products and services offered; it can be also compared with respect to their competitor's performance as well.

**Perception:** The corporate image and corporate reputation of the organization held by different groups of stakeholders. Other factors like country of origin, industry sector, and employee activities are taken into the consideration in developing a perception.

Positioning: Where an organization stands in the mind of different stakeholder groups, relative to their competitors and external environment.

The factors above can be further clustered into three groups for better understanding of the 10P's of corporate marketing.

Cluster 1: People, Personality, Philosophy and ethos can be considered to be the heart of an organization. They are the internal factors of an organization that keeps them striding forward and achieve their goals.

Cluster 2: Price, Product, Place and Promotion (4Ps of marketing mix) can be referred to as the means of interaction by the organization to its external stakeholders. This is the critical segment by which a customer will get hold of a particular organizations products or services.

Cluster 3: Positioning, Perception and Performance are how the external stakeholders place an organization in their mind with respect to the 4P's and also the internal factors to some extent.

The original 10Ps of corporate marketing was built on the rising importance of corporate communication and corporate identity in the late 1990s with a shift in focus from traditional marketing mix. This development created great impact on organizational marketing strategy, which is now popularly known as corporate marketing. (Balmer 1998)

## **The 6Cs of corporate marketing**

The 6Cs of corporate marketing (Balmer and Greyser, 2006) can be essentially viewed as a philosophy in practicing corporate marketing rather

than a conventional marketing function as suggested by 4P's of marketing mix, price, product, place and promotion (McCarthy, 1964). It enables people in an organization think and behave in ways best suited to achieve the organizational goals. The purpose of the 6Cs of corporate marketing was to synthesize all the corporate level perspectives and concepts that have emerged from the 1950s (including corporate image, corporate identity, corporate branding and corporate communications, corporate reputation and so on) towards the 2000s (Balmer 2006).

The 6Cs of corporate marketing is in reality a more simplified and improved form of the original 10Ps of corporate marketing. The 6C's of corporate marketing are discussed below with reference to the work of Balmer (2006, 2008 and 2009):

**Character:** This is often referred to as " Corporate Identity", which reflects what a particular organization is all about and what its distinguishable characteristics are. These are basically all the tangible and intangible factors that make an organization distinguishable from others within the same industry: factors such as organizational activities, markets served, corporate ownership and structure, corporate philosophy etc.

**Culture:** This is often referred to as " Organizational Identity", which talks about the internal collective deep rooted feelings of the employees and management which they possess about themselves within the organizational boundary. These include feelings derived by the values, beliefs and assumptions about the organization and its background. This is critically important as the employees deal with their stakeholders, including

customers, in a way such as to communicate the culture to the wider audience.

Communication: Also referred to as “ Corporate Communications” which explains what an organization says they are and to whom they say it; usually targeted towards customers, employees and stakeholders. It also considers the effects of management, employee and product behavior, word of mouth and such.

Conceptualization: Also termed as “ Corporate Image and Corporate Reputation” in some cases, these are the deep rooted perception of the corporate brand held by the customers and other stakeholder groups. The perceptions held by the stakeholders will definitely influence their behavior towards an organization, which often varies from different stakeholder groups.

Constituencies: It is also viewed as “ Stakeholder Management”, which identifies which stakeholders are most important to serve. It deals with meeting the wants and demands of stakeholder groups taking into account that many customers might belong to other groups also.

Covenant: Often referred to as “ Corporate Brand Management”, which states what promises are made to the stakeholders and also expected in return. These are promises made by a corporate brand leading to the expectations associated with it by stakeholders.

## **Analogy**

In addition to being treated as a philosophy, the 6Cs of corporate marketing can be viewed as a more refined and articulated form of all the theories and concepts on corporate level perspectives and concepts that have emerged from the 1950s towards the 2000s, including corporate identity, corporate reputation, corporate image etc. It can be observed that the components of 6Cs are broader and cover wider operational areas than the 10Ps, which was much narrow in nature with some limitations. However, the 6Cs and 10Ps of corporate marketing have common grounds and the relationship is shown below (Balmer, 2006, p. 736):

## **6Cs 10Ps**

Character: Philosophy and ethos, Product, Price, Place, Performance,  
Positioning

Culture: Personality

Communication: Promotion

Constituencies: People

Conceptualization: Perception

Covenant: Promise (11th P of corporate marketing, Balmer 2006)

Also, according to Balmer there are three substantive differences that distinguish the corporate marketing mix from the traditional marketing mix (Balmer 2009):

The elements of the mix are broader.

The traditional mix requires a radical reconfiguration from product/services marketing.

The mix elements have distinct disciplinary traditions.

All the elements of the original 10Ps are actually the foundation stone of the 6Cs of corporate marketing, both developed by Balmer. The new 6Cs being an effective mean to synthesize all the corporate level perspectives and concepts that have emerged so far, addresses broader areas than suggested by the original 10Ps. I believe the 6Cs has been adapted over 10Ps due to the changes in requirement of organizational marketing practices over the years.

## **Conclusion**

It would not be appropriate to say one mix is better than the other as both have its own logical ground. Even though corporate marketing as a concept is still at a nascent stage, if we carefully observe its evolution, it has actually overcome some hurdles towards its current form. It may be said that the 6Cs of corporate marketing are more refined and simplified version of the original 10Ps of corporate marketing. The 6Cs doesn't necessarily ignore the principles of the 10Ps but are addressed to broader dimensions. The 6Cs of corporate marketing addresses areas which were not touched by the 10Ps. Integration of all the key corporate level constructs and activities was meant to happen one day as the demand for marketing at an organizational level is still on the rise.