

# Understanding corporate identity as a phenomenon marketing essay



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The following paper is designed in order to evaluate the role of corporate identity designing successful luxury brands. There would be much of focus on understanding the dynamics of corporate identity working in coordination with integrated marketing communication which in turn would lead to shaping the luxury brand and then driving it to its success. After the research has been finished, then the findings of the research would help us in understanding if, there is any one best possible approach that defines the corporate identity in the luxury industry.

### **Understanding corporate identity as a phenomenon:**

Corporate identity as definition by businessdictionary. com is explained as

“ Combination of color schemes, designs, words, etc., that a firm employs to make a visual statement about itself and to communicate its business philosophy. It is an enduring symbol of how a firm views it, how it wishes to be viewed by others, and how others recognize and remember it.

Unlike corporate image (which is ‘ in there’ changeable mental impression), corporate identity is ‘ out there’ sensory-experience conveyed by things such as buildings, décor, logo, name, slogan, stationery, uniforms, and is largely unaffected by its financial performance and ups and downs in its fortunes.

Corporate-identity is either strong or weak (not positive, negative, or neutral like a corporate image) and is more or less permanent unless changed deliberately. The identity (conveyed by its name and multicolored bitten-off-apple logo) of Apple computer, for example, as an innovative and path breaking firm has survived almost intact over about 30 years. But its image as a successful business has dimmed and brightened several times during the same period”

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After considering the above given definition we get to know that corporate identity is a phenomenon that encompasses many factors that a company uses like the words, the symbols or any other abstract codes which primarily differentiates the company from other companies for the ease of recognition by people who are potential consumers. But the idea of corporate identity as presented above are rather considered a little orthodox in the present day business scenario. In the Dane age, the definition of corporate identity has expanded in order to depend upon a huge variety of different other factors. While it is normal to believe that the graphic imagery and symbols have always been the pivotal factors governing the corporate identity of any brand or a company, but with the proliferation of integrated marketing communication methods, a whole new different perspective has been attached to the conventional idea of corporate identity. The below given diagram explains in detail the role of different factors that contribute to corporate identity of any brand and its overall dynamicity

According to authors John Balmer and Stephen Greyser the idea of identity begins with the narrow process of graphic design or what they like to call as visual identification. Needless to explain that graphic description is a vital part of integrated marketing communication. A valid example to support the notion is that of IBM. Back in the days IBM was known for using blue borderlines in its advertisements, as the time passed consumers naturally began to associate blue with the color of IBM and hence IBM obtained its informal name of ' Big Blue'.

The second part of identity is that of organizational identity. The

organizational identity aims at defining the internal structure of the  
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organization. The primary motive of organizational identity is to discover as to how the employees of the company look forward to the company.

Precisely, it is a tool that helps us understand the image that the company has framed in the eyes of its employees. Although it is not a deciding factor because it lies within the company but still the communication within the company amongst its employees contributes essentially to integrated marketing communication.

The third and the most important part of identity is the corporate identity. This is the branch of identity that helps us in marketing initiatives and governs the success of any corporation in a huge way. It helps the company to understand its image in the eyes of consumers and hence acts externally to any organization. The involvement of corporate identity is a deciding factor in any company's corporate strategy which in turn encompasses factors like image, communication and reputation. The only thing that is to be kept in mind when dealing with any issues of corporate identity is that it is a different phenomenon from that of corporate brand image and the two are not to be mixed.

The above given diagram suggests a way to establish a proper corporate identity in a firm (Center and Broom, 1994; Dowling, 1986, 1994; Grunig and Hunt, 1984; Olins, 1978; Van Riel, 1995)

An important thing to consider in the present day situation regarding corporate identity is the change of definition that the term has undergone in the past few years. The modern definition of corporate identity suggest that the term “ corporate identity” in itself is broad and carries along factors of

behavior, communication and symbolism expressed to internal and external audience. It is evident from the changed perspective that it is much wider notion in comparison to the conventional definition and also does it include the dynamics of corporation functioning

The interesting thing to notice is the intensity impact created by corporate identity in the specific case of luxury products. In the general markets of day to day goods, corporate identity is definitely important but is also intermingled with a lot of other factors of price, positioning and utility. But in the curious case of luxury industry, many a times it has been observed that corporate identity of any brand has proved to be the detrimental factor in the brand's success or failure. With a sudden increase in the number of luxury brand and its popularity amongst the consumers belonging to all the tiers and strata of society, the effect of corporate identity if managed properly could be profound. Some of the luxury brands that have deeply understood the tricks of the trade and have made the idea of corporate identity to work immensely for their benefit will be further discussed in the paper.

## Corporate Identity & Luxury Industry

### LVMH

When the option of a company differentiating itself from all the other companies of its segment using the phenomenon of corporate identity arises, LVMH has always been a pioneer. LVMH is a luxury company that is well known to every luxury connoisseur of the world. Moet Hennessey Louis

Vuitton better known as LVMH has always been able to bedazzle its  
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consumers by rejuvenating itself every decade or so. The monogrammed LVMH products have eventually become so popular that it has fuelled a multimillion dollar market of counterfeit products. In order to understand the demand for LVMH products, we need to know that there is a branch of LVMH employees that works closely with the international police in order to keep a track on the counterfeiting of its products.

The significant mark of LV as a symbol for LVMH on all the LVMH products has become synonymous to style and luxury. The words Louis Vuitton are used to determine internationally recognized luxury empire.

The main target market of LVMH are consumers between the age of 18-35 who have a penchant for design and fashion and the taste for tradition and luxury, Louis Vuitton as a corporation has managed to mark its presence by being actively published in top fashion and luxury magazines like “vogue”. The iconic logo of LVMH as LV has always been shown stunningly in every advertisement or any event associated with LVMH and has lead to alluring a lot of luxury hungry consumers out there. In the recent years the company has expanded into producing a plethora of luxury goods like shoes, watches, skateboards etc.

The main idea behind the successful corporate identity of LVMH as a corporation which includes many other widely known and cherished brands like Christian Dior, Dom Perignon, Donna Karan etc. is by mining the history and tradition behind all of these brands and portraying them in front of the consumers in form of a story to which every consumer wants to relate to.

There is always a designer who is responsible to propagate the story and is

eventually much like by the potential market. The use of symbols and abstract marketing is always so subtle that it eventually penetrates the skin of consumers and buyers are left with a profound longing of the product. The marketing and communication by LVMH is artistic and revolves around the symbolic character and the stories of the brand.

The products are cautiously engraved with the logo of LVMH and there are a numerous affiliations with many designers who do not fail to play artistically with the logo, always making it much more desirable and liked by the audience. Chairman Bernard Arnault believes that star brands are born when a company manages to make products that ‘speak to the ages’, yet remain intensely modern. These products fulfill the consumer’s fantasy. A star brand is timeless, modern, fast growing and highly profitable. Arnault believes that the impression of timelessness can be created with uncompromising quality.

## BURBERRY

Another very intriguing case of corporate identity as a defining factor of any luxury brand’s success can be defined with the example of Burberry. The brand is a brain child of Thomas Burberry when he decided to open his own store in 1858 in England. In the year 1879, Thomas Burberry invented Gabardine- a breathable fabric made out of an innovative process in which the yarn was made waterproof before weaving. This turned out to be a very durable fabric and thus made Burberry (as a brand) very popular. In the present day Burberry has attained recognition of a highly stylish luxury brand and has shops and boutiques all around the globe.

The Brand is currently known for its rich English heritage and the iconic trench coat, trademark check and the iconic Prosrum horse logo. Burberry has a strong brand performance. It is best known for its British identity which in turn guarantees the real blue English style through neat designs with checked prints being symbolic to the brand. The Burberry trademark also gives consumers the assurance of consistency in the quality and durability of products delivered. In terms of service, Burberry has been very effective in terms of receiving timely information and help through its well-managed official website and social networking sites like Facebook. In fact, going digital is one of Burberry's key strategies to ensure that customers' needs can be served efficiently and effectively and this has won the company the 'Digital Innovation Award' in 2010.

The brand also flaunts a specific set of imagery that suggests utmost sense of elegance and fashion. Classic craftsmanship is presented in association with timeless English culture and tradition, a perfect mix for consumers with an eye for sophistication and luxury. The major selling point of Burberry is that it succeeds in providing the elegance and classy reminiscence of the past with the bold styles and patterns fit for the modern age buyer.

As discussed above, the symbols and the codes of luxury used by Burberry have been much recognized and appreciated amongst consumers all over the world. By owning a Burberry product the consumer feels fit in the class of elite because most of the publicity and marketing done by Burberry is through the A-list celebrities who are generally seen flaunting the Burberry's trench coat or other apparels and hence creating a positive association in the minds of the consumers. To enhance the experience further, all the <https://assignbuster.com/understanding-corporate-identity-as-a-phenomenon-marketing-essay/>



members of this elite class re unite together online at Burberryworld. com to connect with the brand and with each other. To improve the corporate identity, Burberry has also made sure to involve the customers and absorb them in the experience of the brand so that they can associate themselves above and beyond the symbolic imagery. This eventually leads to evoking the feelings of privacy and self respect generated out of owning the brand. Consumers also feel a great sense of social approval after owning Burberry.

All in all, it is evident that the use of symbols, graphics, communication and all the other factors that contribute to the corporate identity of the brand have been utilized manipulatively and cautiously enough to create a positive profound impact on the mindset of consumers which eventually leads to the well being and success of Burberry

## ARMANI

The next brand that would help us to understand the role of Corporate Identity in the context of luxury brand is ARMANI. The brand being talked about has always been a provider of classic luxurious fashion apparels for decades. Armani is one of the pioneers in the idea of selling luxury and fashion together and to the present day its reputation and charm remains intact, rather as fresh as new. Consumers see Armani as a portal between fashion and post modernism. For a long time now Armani has been catering to satiate the hunger of fashion and luxury conscious consumers and its corporate identity is intriguing.

The entire communications done by the brand is controlled by the designer:

Giorgio Armani himself and hence there is always coherence in the <https://assignbuster.com/understanding-corporate-identity-as-a-phenomenon-marketing-essay/>

communication made by the brand all around the world. The main emphasis in any kind of communication is always on the product and very less effort is done in bringing up the dazzle and color in the advertisements. The photo campaigns always have been in black and white in order to represent finesse and subtlety and much head is given to the finest details of models as well as other contributing factors like background and lighting.

The designer himself is not fond of colorful clothing. Most of the Armani collections bear subtle colors but if the needs arise, there is some mix and match of vibrant colors as well. Nevertheless the darker, subtle colors always dominate any collection, apparel or accessory ever produced in Armani house. The designer also chooses not to include any top models in his advertising campaigns because he wants that people should not get distracted by the model and should pay much focus on the product being endorsed.

Apart from these details, Armani also has an interesting brand story associated with it and flaunts the Italian country of origin tag. People have always associated Italy and France with the birth place of luxury and fashion respectively and hence these associations come to the help of Armani in creating positive associations regarding the brand in the heads of consumers.

The main emphasis of marketing communication by Armani persuades people to be themselves and want them to enjoy the freedom that they have. Then it associates this freedom in terms of fashion style which eventually gets recognized alongside Armani. Hence free spirited people with

a penchant for fashion get attached to Armani automatically. Very immense care is also taken in order to design the showroom for the products. An honest effort is put in, in order to make the customers re live the promise of the brand as soon as they step inside any Armani's boutique worldwide. From lighting to furniture to mannequins, everything is utterly impeccable in an Armani showroom which represents very highly of the brand and people are forced to impress the magnanimity of the designer and his products. Hence the corporate identity of Armani is mostly subtle and consumers are left with a lot to read between the lines and impress themselves.

## CONCLUSION

From the above given examples, it is clearly seeable that corporate identity as a phenomenon is crucial in defining the success or failure of any corporation or a brand. Pertaining to the case of luxury industry it becomes much more interesting to observe that many a strong and famous brand names have made their way up with the intelligent and cautious use of various possible parameters of corporate identity. The value of the phenomenon can be better understood by getting to know that a lot of brands (as like the few listed in the report) are better known due to their corporate identity rather than by their products or designers.

As far as the question of a single apt approach to decide the corporate identity of the brand is concerned, there is none. Giving another look to the definition of corporate identity we understand that it is an outcome of many different factors like symbols, typography, design, integrated marketing communication etc. An emphasis on any singular factor would not guarantee

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a successful corporate identity of a brand. The journey to a desired and successful corporate identity is an amalgamate of all these factors synced with each other and devised to work together for the common good of the corporation. Of course all the different approaches have a different impact on the outline of any brand's corporate identity, but an evolved corporate identity of any brand can be achieved only by a proper deployment of each and every approach.

It is also important to acknowledge that the plethora of available knowledge on corporate identity is now almost mature. Almost all the luxury industries are not only applying their level best efforts in making a mark through their products and services but have also understood the vitality of factors like organizational behavior, strategic movement, human resources, graphic design, communication studies and public relations. With an evolution and widespread recognition of the above stated factors, the luxury corporate houses are trying to rephrase their business tactics to incorporate the best practices of corporate identity and tap the psyche of consumers in a way that has never been done before. It will be not wrong to say that with the passage of time and especially in an industry as potent and glamorous as luxury the day is not far when companies would pay equal attention to the finesse and exclusivity of their corporate identity as much as they pay to the impeccability and the beauty of their products and services in the present day age. The effects could be so profound that the luxury houses that would fail to acknowledge and absorb the idea of corporate identity would eventually perish or stagnate.

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