

# Marketing planpdf



## 1. Introduction

Corporate identity is a term that defines the overall image of a company in the minds of customers, employees and other stakeholders, and a corporate identity differentiates a company from the other companies (Knapp et al., 2001; Hatch, and Schultz, 2003). Corporate identity is not limited to corporate branding and it is important for companies to manage their distinct identity to gain a competitive advantage in the fierce competition (Herbig and Milewicz, 1995), especially in the contemporary, where the business environment becomes much more complicated and the corporate identity landscape becomes more active and crowded;

Balmer and Seonen (1997) has developed a framework called ACID Test to help the companies identify the corporate image, and later modified the initial model into a more advanced version, the AC2ID Test (See Appendix A), which consists of five identities, including actual identity, communicated identity, conceived identity, ideal identity and desired identity (Balmer and Greyser, 2002). This paper aims to discuss the five identities involved in the AC2ID Test and how the REDS process can help manage the corporate identity with a selected company, Apple Inc..

## 2. Company Overview

Apple Inc. is a United States multinational corporation which is headquartered in Cupertino, California (Apple Inc., 2013). The company majorly focuses in manufacturing and selling consumer electronics, computer software and personal computers, with a large range of world widely famous products, such as the Mac, the iTunes, the iPod, the iPhone,

and the iPad. The company has many achievements. Apple Inc. ranks as the second largest information technology in the world, with a total of 394 retail stores in 14 countries by the end of 2012 and an approximately \$156 billion revenue in 2012 (Apple Inc., 2012, 2012a). Apple Inc. operates in a complex business environment. The macro-environment can be summarized on the base of the PESTL framework, and the significant forces are briefly demonstrated as follows:

**Economic** – The worldwide economy has experienced a volatile period during the past decade. In 2008, there was a global financial crisis which has negatively impacted almost all the economies in the world. However, many countries have soon recovered from the crisis and have achieved economic growth, while some countries still suffer. **Sociocultural** – In the recent years, the Internet seems to more appeal to people and the popularity of information technology products among consumers has increased dramatically, especially that of the smart mobile phones and tablet computers and laptops. **Technological** – In the past decade, the information technology industry has been witnessed with rapid developments and many excellent players within this industry have become giant multinational corporation and ranked into the world's top group, such as Samsung Electronics and Apple Inc..

### 3. AC2ID Test Model

Balmer (2001, 2001a) modified the original ACID Test model and developed the new AC2ID test model by adding an extra 'C' that is the conceived identity (see Appendix A), forming the '5+10' principle, which is the five

identities and the ten types of relationship between them; and the REDS approach is adopted in the model.

- **Actual Identity** The actual identity refers to the current attributes of the company that is determined by a range of elements, such as the organizational structure, leadership style, the products and the services of the company, and the values held by the management and employees.
- **Communicated Identity** The communicated identity refers to the corporate identity mainly revealed by the corporate communication that is controlled by the company and derives from the uncontrollable communication. Specifically, controllable communication consists of advertising, public relations and sponsorship, while uncontrollable communication includes word-of-mouth, media commentary.
- **Conceived Identity** The conceived identity describes the perceptions of the company in the minds of the relevant stakeholders, such as corporate image, reputation and branding.
- **Ideal Identity** The ideal identity defines the appropriate positioning of the company in the markets it competes in within a period of time, which usually is a combined result of corporate strategy and the external environment.
- **Desired Identity** The desired identity mainly refers to the corporate identity pursued by the leaders of the company, or in the other words, the vision of the corporation. The desired identity is closely related to the CEO's personality and ego, whereas the ideal identity usually is based on a deep research and analysis.

#### 4. Implication of AC2ID Test to the Case of Apple Inc.

In the Apple Inc. case, the five identities are relatively clear compared to most of the organizations.

- **Apple's Actual Identity** Apple's actual identity is well presented by the large range and high quality of the products and services it offers to the market. The Apple company was first founded in 1976, and it was named as Apple Computer, Inc. in 1977, focused on personal computer business. The company has continued to use this name until 2007, when they decided to remove the word 'computer' from its initial name after the successful introduction of the iPhone (Markoff, 2007). Under such circumstances, the actual identity of Apple shifted overnight from the initially personal computer oriented to consumer electronics. Since the shift, the company has had great business performance by continuing to provide consumers with a number of great products. The values held by the management and employees also make a significant contribution to the actual identity of the company. Innovation is highly valued in the company, from the top management to the common employees, which helped shape the innovative identity of the company (Zott and Amit, 2010).

- **Apple's Desired Identity** It is widely accepted that the previous leader of Apple Inc., Steven Paul Jobs, has played an important role in shaping the desired identity of the company. Jobs' aggressive and demanding personality has greatly impacted the leading information technology company, and Jobs has been considered as one of the leading egomaniacs in Silicon Valley; however, it is believed that the CEO's unique personality has had an

essential influence on the aspiring corporate vision of Apple Inc. that pursuing to be the best and the pioneer within the industry (Colvin, 2007).

- Evaluation of the AC2ID Test Model According to Balmer and Greyser (2002), the AC2ID Test Model is a modified version of the initial ACID Test Model, thus, it has more strengths than the original one; however, it still has some weaknesses. The strengths and weaknesses of the AC2ID Test Model can be briefly summarized as follows. The model is not only useful in assisting the organizational management in researching, analyzing as well as managing corporate identities, but also useful in guiding the organizations in the volatile identity changes and realignments. The model is particular helpful in some strategic decisions, such as a merger, a acquisition or a divestment. However, the model still involves some deficiencies. One significant deficiency is the invariability. The business environment is competitive and keeps changing, and thus it seems that the model need to be improved with new identities added to it or more information added to it.

## 5. The REDS2 Approach

The REDS2 approach is developed from the initial RED process, and consists of five stages of managing the corporate identity, ' REDS2' stands for the Reveal, Examine, Diagnose, Select and Strategy separately, which are the stage of revealing the five identities, the stage of examining the ten identity interfaces, the stage of diagnosing the problem areas, the stage of selecting the interfaces that should be brought into alignment, as well as the stage of identify the appropriate strategy to bring the interfaces into alignment (Balmer and Greyser, 2002).

## 6. Implication of REDS2 Approach to the Case

When Apple Inc. removed the word 'computer' from its initial name, Apple Computer Inc. in 2007, and the company core business shifted from the personal computer to the consumer electronics, its actual identity changed. However, the newly adopted name and the new positioning may not be known by the consumers; thus, the Apple company noticed that it was important to bring the communicated identity into alignment. Based on rich analysis, the company has successfully developed relevant promotional strategies to bring the interface of actual identity and communicated identity into alignment, as the company has become more famous and achieved widespread success since then.

## 7. 0 Conclusion

To conclude, the case of Apple Inc. in the discussion shows that the AC2ID Test is useful in identifying the corporate identity, as well as the REDS2 process. Therefore, organizations are recommended to gain a deep understanding of the REDS AC2ID Test and make good use of it. Some can also consider modifying the existing AC2ID model to a more advanced version, such as by adding an extra identity to the five identities.