



How corporate visual identity supports reputation

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Abstract

Purpose – Corporate visual identity (CVI) comprises all the symbols and graphical elements that express the essence of an organisation. Although it is by far the most visible and tangible asset in the armoury of tools used by the majority of organisations in their interaction with the outside world, the role of CVI is scarcely mentioned in studies on corporate reputation. Despite the growing interest in measuring reputation and brand values, little is known about the role of CVI. This article aims to explore the relationship between CVI and five general dimensions of reputation: visibility, distinctiveness, authenticity, transparency, and consistency.

Design/methodology/approach – This paper explores the relationship between corporate visual identity and reputation. In which ways and to what extent can CVI support a corporate reputation? This exposition of the relationship between reputation and CVI is based on the framework established by Fombrun and Van Riel and the reputation model they present, which consists of five dimensions: visibility, distinctiveness, authenticity, transparency, and consistency. This relationship is explored by investigating these dimensions.

Findings – It is concluded that CVI can, in principle, support each of these dimensions, through the quality of the design, the range of its application, and the condition of carriers.

Practical implications – CVI must be considered a useful tool that can be successfully applied to managing the reputation of any organization.

Originality/value – The results will be helpful to communication professionals who deal with integrated communication and aim to enhance the consistency of messages – both written and visual – within their organisation.

Keywords Corporate identity, Corporate communications, Advertising, Corporate image

Paper type Conceptual paper

A corporate visual identity (CVI) consists of a name, a symbol and/or logo, typography, colour, a slogan and – very often – additional graphical elements. The logo or corporate symbol has the potential to express organisational characteristics (Van Riel and Van den Ban, 2001). CVI elements are used in communication and on a variety of applications, such as buildings, vehicles and corporate clothing. In general, CVI provides recognizability (Balmer and Gray, 2000) and an organisation must have very strong reasons before dissociating itself from an established CVI. Every major change in a CVI requires time and a substantial investment to communicate the new name and/or corporate design, stressing the presence of the (new) organisation and emphasizing ways in which it differs from others. CVIs are often changed as a result of organisational changes, for instance repositioning (a change in strategy), mergers, acquisitions, or privatisation. In due course, a CVI may need to be modernized. However, most organisations with a good reputation gradually adapt their CVI in a



way that is hardly noticeable to outsiders. CVI, the visual expression, is an important tangible asset of the organisation.

The development of a new CVI starts with a process of discovery that reveals the organisation's current corporate identity, its historical roots, culture, strategy and structure. Once the essence of the organisation is known – what it stands for, what its aims are, in which respects it differs from others – the design process can start. The desired result is a visual identity system that fits the organisation. The CVI will eventually come to represent the organisation. A new CVI can be considered the first step towards building a corporate reputation. A favourable reputation is influenced by all of the elements in the corporate identity mix: behaviour, communications and symbolism – and reputation has impact on organisational performance (Van Riel and Balmer, 1997). The CVI can be seen as the symbolic element within the corporate identity mix (Baker and Balmer, 1997). Reputation is getting more and more attention, because of its powerful influence on the mindset of a variety of stakeholders, such as investors, employees and potential employees, customers and the press.

Management of identity is inseparably linked to that of organisational reputation (Fombrun and Rindova, 2000). Corporate branding and corporate communication can be seen as activities used to build a corporate reputation (Bickerton, 2000; Schultz *et al.*, 2000; Einwiller and Will, 2002). Roberts and Dowling (2002) define corporate reputation as “a perceptual representation of a company's past actions and future prospects that describes the firm's overall appeal to all its key constituents when compared to other leading rivals”. Corporate reputation refers to the distinctive attributes of the organisation. The corporate symbol represents both current results and future ambitions. Logos, CVI guidelines, an identity architecture – one corporate logo for the whole organisation or consciously chosen additional visual identities for parts of the organisation or selected products and services – and a communication plan are all relatively easy to implement (Fombrun and Van Riel, 2004), but CVI management is needed to ensure consistency (Van den Bosch *et al.*, 2004). After all, CVI is not a goal in itself, but a means to an end.

Instruments are being developed to measure an organisation's reputation – locally and globally – but the influence of CVI is scarcely referred to in reputation studies. In our view, corporate reputation clearly needs to be evaluated and measured, but this exercise should include CVI. Once the strategy has been developed and the visual identity has been designed, CVI seems to be taken for granted.

In this paper we explore the relationship between corporate visual identity and reputation. In which ways and to what extent can CVI support a corporate reputation? Our exposition of the relationship between reputation and CVI is based on the framework established by Fombrun and Van Riel (2004) and the reputation model they present, which consists of five dimensions: visibility, distinctiveness, transparency, authenticity and consistency. We explore this relationship by investigating these dimensions. The results will be helpful to communication professionals who deal with integrated communication and aim to enhance the consistency of messages – both written and visual – within their organisation.

Visibility

Visibility is a measure of the prominence of the brand in the minds of customers. In the model created by Fombrun and Van Riel (2004, p. 111), this dimension can be gauged in

terms of exposure in the street, national heritage, media exposure, brand equity, listing on a public stock exchange and corporate citizenship. All of these elements – whether they are positive or negative – influence reputation. To take just one example, the most visible organisations in Denmark – based on their street exposure – turned out to be retailers with top locations, financial services and telecom companies (Schultz *et al.*, 2002).

Elaborating further on this theme, CVI supports visibility by emphasizing the presence of the organisation and it also influences reputation, either in a positive or in a negative way. The CVI is not only used on signage of buildings, but also on billboards and vehicles. McDonald's golden arches are a well-known example of a powerful symbol that is placed alongside highways to give motorists the idea to turn off at the next exit and eat at the restaurant. The Ronald McDonald trust is an example of corporate citizenship. The name of this institution corresponds with the organisation behind it and thus supports the reputation of the owner. Names and visual elements used on a range of applications result in visibility and the quality of CVI carriers provides additional information – creating strong perceptions in the minds of the public.

On the negative side, CVI on trucks in poor condition not only draws attention to the organisation behind the truck, but also to the way the organisation is apparently taking care of its fleet and personnel. The logo provides visibility, but the condition of the carriers, such as buildings and its surroundings or the fleet also has an impact on its image. A striking example of this occurred on primetime news in The Netherlands, when turned out that Ahold had misled shareholders by overstating its earnings. The crown in the Ahold symbol on the company's headquarters was damaged, conveying a visual metaphor for the precarious situation of the company. Brand equity had all but collapsed. Reputations can collapse extremely rapidly, also reflecting on other brands owned by the company. In The Netherlands, customers stayed away from Albert Heijn – the flagship supermarket chain owned by Ahold – partly due to the earnings of the new CEO, which were seen as exorbitant by Dutch standards.

Other examples of this effect can be seen in the recent history of Enron, WorldCom and Parmalat. These names, and the visual symbols that represent their organisations, became associated with major scandals in business and financial reporting. It takes enormous efforts to regain trust and rebuild reputation.

CVI supports the dimension visibility in the reputation model through the use of the name and/or visual cues such as the logo on buildings, vehicles and exposure in the media, both paid and non-paid. The use of visual identity elements on a variety of carriers increases the organisation's visibility. The logo (alongside other visual cues) communicates not only the existence of an organisation, but also – particularly when the organisation is in the news – can come to symbolise its reputation.

Distinctiveness

The second dimension in the reputation model is distinctiveness – the unique position of the organisation in the minds of customers and other stakeholders. The organisation can achieve distinctiveness through strategic alignment (bringing together aspects of its vision and strategy to build the business), through emotionally appealing features, and by attracting attention through the use of startling messages (Fombrun and Van Riel, 2004, pp. 153-156). A good example of strategic alignment is Intel's marketing

campaign, which encourages PC manufacturers to use the Intel Inside® logo in their ads. The logo became distinctive via these manufacturers, referring to Intel's technology as it is used in personal computers. British Petroleum (BP) introduced a new logo and the tagline "Beyond petroleum", both of which emphasise their environmentally friendly technologies. Another example is Philips, which has become better known worldwide through its slogan "Let's make things better". This slogan has been widely and consistently spread via advertisements in the print and broadcast media. This slogan represents a promise that is designed to address both employees and external stakeholders. The design of the tagline was embedded in the company's CVI guidelines with precise instructions for its use in all applications.

Fombrun and Van Riel (2004, pp. 142-145) mention a number of distinctive trademarks, logos and visual elements – such as the swoosh of Nike, the swan of KLM, and the logo of Akzo Nobel. Another good example is the Shell emblem, which, since the 1980s, no longer has the company's name attached to it and yet is recognized all over the world. Shell did not even feel the need to change the organisation's name – which referred to the company's most important trade at the end of the nineteenth century (the importation of shells into the UK) – when oil became more important. Nowadays few would associate oil with shells, but the logo nevertheless "works".

Pharmachemie, a manufacturer of generic medicines in The Netherlands, uses microscopic images of the raw materials of medicines such as paracetamol (crystals) in its CVI. Their stationery visualizes these crystals and in total there are six different letterheads and six business cards.

Finally, some design agencies also create a range of business cards for their customer-facing personnel. The front is standard, but the back displays a visual created especially for and often by each member of staff. This approach puts the individuals within the agency in the spotlight.

All of these examples illustrate the fact that CVI is influenced by a lot more than just a logo; additional visual elements, which can be both attractive and surprising, also help build up the company's image among stakeholders. The distinctiveness of the design requires considerable creativity and it must match the organisation's strategy. A good reason to change a CVI is when an organisation wants to emphasise a new strategy. Changing a CVI can also create awareness of an existing strategy among relevant stakeholders – as with BP – but besides the costs of the change, a substantial budget is needed to buy media exposure (see the dimension visibility) to portray the message. A distinctive design that is both emotionally appealing and surprising can attract free publicity. Once the strategy is known, the CVI helps to fix it in memory and the organisation becomes distinctive (top of mind).

Authenticity

Authenticity, the third dimension, begins with a process of discovery in order to create a convincing constructed identity, followed by a process of internal expression and finally by external expression (Fombrun and Van Riel, 2004, p. 165). The slogan "Let's make things better" was the outcome of such a process, and – to remain credible – Philips has to behave and act according to this promise. The challenge of authenticity is formulated by Fombrun and Van Riel (2004, p. 181) in four lessons: first clarify who you are, develop a broad consensus within the organisation, express your identity

clearly, and remain true to that identity. Authentic firms are seen as real, genuine, accurate, reliable and trustworthy.

Authenticity is often not directly related to CVI, but there are examples of visual elements or logos that go back to the roots of a company. The Philips symbol is such an example, as it is constructed from stars (which refer to light) and waves (which visualise radio). These authentic elements still apply to components of Philips' core business. Philips did not radically change this brand asset, but gradually adapted it in ways that most outsiders wouldn't notice.

The crystals of Pharmachemie, which visualise the raw materials of the generic medicines they sell, can also be seen as an expression of authentic visual symbolism. Handing over one of their six business cards creates an opportunity to tell the story of the crystals, the organisation and its business. Employees know this story, they like it and – most important of all – they want to talk about it. This is a good example of discovery, followed by internal and external expression. The design of the CVI was a crucial part of this process.

Once designers have a clear view of the roots of the organisation and what it stands for, they can start to develop distinctive, authentic visual identities. Pilditch (1970) stressed the importance of establishing a close correspondence between the design of the CVI and the organisation. Archive analysis, interviews, focus groups and quantitative analysis will help prepare a good design briefing. The process of discovery is the first step towards developing a CVI. The story behind its development, with links to authentic elements of the organisation – the design philosophy – has great communicative value. The story of the CVI also helps employees understand what their organisation stands for and – together with actions that demonstrate the authenticity of the organisation – gives them the material they need to enhance the corporate image among external stakeholders. Thus the CVI can clearly be of assistance in developing the quality that Fombrun and Van Riel call authenticity.

Transparency

Research findings suggest that the more transparent an organisation is, the more likely it is that stakeholders will rely on its disclosures (Fombrun and Van Riel, 2004, p. 187). Transparency, the fourth dimension, increases trust and reduces uncertainty. The main domains of transparency differentiated by Fombrun and Van Riel (2004, pp. 197-207) are products and services, vision and leadership, financial performance, social responsibility and the workplace environment.

In our view another domain can be added to these, namely transparency created by an organisation's visual identity. This can be based on one or more brands and familiarity with the visual identity offers insight into the organisation's activities. For several reasons, an organisation can choose either a single visual identity, or several endorsed identities for subdivisions, product lines and service divisions. When the product brand is also the corporate brand, this enhances the transparency of the manufacturer of the products. Most companies that are ranked high in global reputation studies use the same brand at both levels, corporate and product. When organisations use product brands that are not identical with the corporate brand, the negative effect on the corporate reputation can be significant (Roberts and Dowling, 2002). According to a survey of the world's most valuable brands, there are strong links between product brands and corporate brands (Clifton and Maughan, 2000). In 19

of the top 20 companies, the corporate and product brand names were identical. The identity architecture clarifies the organisation's structure and the portfolio of products and services (Olins, 1989) as well as the visibility of the parent company (Van Riel, 2000).

An example of a change of CVI for reasons of transparency comes from the municipality of Amsterdam, which has recently redesigned its corporate visual identity. Over the years many logos were developed for the various departments and services within the city's administration. There was no common ground between the visual identities and, as a result, the mutual connections between these organizations were unclear to most citizens. A design agency was asked to bring the visual identities of all these entities into line in a single monolithic brand. Municipalities have to address a particular issue when developing their CVI: the city itself needs to be distinguished from its governing body, which carries the same name (see also the dimension distinctiveness).

Fombrun and Van Riel (2004, pp. 191-197) mention five drivers for greater transparency: market pressure, social pressure, political pressure, legal pressure and internal pressure. Examples of possible outcomes are, for instance, a code of conduct and information on packages or products. Unilever, a British/Dutch-owned food and personal care multinational, produces and distributes literally hundreds of products under separate brands, and yet it is an organisation with a branded identity. In the past the Unilever logo was only used by the holding. In a recent new "Path-to-growth" plan, the number of product brands was reduced from 1,600 to 400 and to help position Unilever in the minds of customers, a new logo was designed, which will be displayed on all packaging. Besides supporting the company's visibility, the new CVI will increase transparency about who is the manufacturer of all these products.

Another way to provide information on products or production processes is through certification. Examples of this include the ISO Quality mark, the EKO Quality symbol used for organic products in The Netherlands, and the FSC trademark, a certification logo distributed by the Forest Stewardship Council A.C., a not-for-profit organisation whose aim it is to protect indigenous forests and to promote wood obtained from sustainable forests.

CVI can provide transparency in two ways. First, through an identity architecture that includes corporate and endorsed brands. In a pure branded identity structure there is no visual connection with the parent company behind the brands. Second, a special logo can be used as a certification or quality label for organisations that meet a certain standard and thus provide customers with background information on their products and services.

Consistency

The final dimension, consistency, enacts across all stakeholder groups and through all of the company's communication and initiatives (Fombrun and Van Riel, 2004, p. 218). Van Riel (2000) describes various ways in which the content of communication can be orchestrated. First, through visual coherence – which needs to be supported by clear CVI guidelines – and consistent marketing communications, applying the same pay-off, packaging and visual marks. Second, the communication as a whole can be orchestrated using common operational systems, cooperative structures for communication decision-making and common starting points. Fombrun and Van

Riel (2004, pp. 223-229) view the identity architecture – monolithic, endorsed or branded structures – as part of the dimension consistency, but we think it is more related to transparency. In our view, consistency in relation to CVI has to do with the way brands and graphic elements are used on carriers over a longish period of time.

An example of consistency over time is the Shell logo, which still resembles the emblem that was designed in 1904. After World War II the logo was used in all communications. In the beginning, the logo changed every 12 years, but in recent decades it has only undergone very minor changes. The emblem, name and colours of Shell have not changed for a very long time.

Another example of consistency is the use by Coca-Cola of a standard wave, the same colours and the same typeface. Wherever we are in the world, we recognise signs, billboards, and products bearing this brand – even if they are written in a script we’ve never seen before. Similarly, the use of the colour blue and a swan in KLM advertisements demonstrates consistency in communication. Once the swan is identified with KLM, this even provides information on what EasyJet wished to say when they use a swan in their commercials on TV. In corporate identity programmes there are a variety of cues that can be used to represent an organisation.

CVI proves to be a useful tool for integrating all types of businesses, applications and communication utterances. It supports the organisation’s reputation by establishing consistency and CVI guidelines can certainly enhance that consistency.

Discussion and conclusion

The five dimensions in the reputation model are all interrelated and intertwined with impressions that are based on behaviour, communication and symbols. Roberts and Dowling (2002) show that corporations with a good reputation are more active in reinforcing that reputation through corporate and marketing communications (e.g. brand advertising). In the context of takeovers, reputation comes rapidly to the fore. In a takeover such as that of Kraft by Philip Morris or Rowntree Macintosh by Nestlé, the actual value of a company greatly exceeds its book value (Kapferer, 1994; Balmer and Gray, 2003). The difference is a valuable asset known as “goodwill”, which consists of brand names, corporate logos and customer loyalty (Herbig and Milewicz, 1997). In general, the trend is to put the value of brands on the balance sheet, but it is not clear to what extent the goodwill should be attributed to the visual aspects of the identity. In Interbrand’s analyses of the world’s most valuable brands (see *BusinessWeek*, 2003), they measure the brand strength in terms of factors such as leadership, stability, market, internationality, trend, support and legal protection (Birkin, 1991). These measures are used to establish the degree of market penetration, distribution and licensing, and the assessment of brand valuations involves specialists from disciplines such as marketing, accountancy, finance and law.

Assessing the visual identity can be useful in attempts to identify organisational weaknesses, and a weak visual identity may be a symptom of corporate malaise (Baker and Balmer, 1997). A new corporate visual identity, however powerful, should be part of an integrated approach to repositioning an organisation. Symbols, such as logo, name and graphics are clearly instrumental in expressing the organisation (Schultz *et al.*, 2000), but they are not considered the most important issue that has to be managed (Balmer and Gray, 2000; Gabrielsen *et al.*, 2000; Bromley, 2001). Corporate communication is becoming increasingly strategic (Balmer and Gray, 2000; Steiner,

2001; Westcott Alessandri, 2001). The corporate brand – the visual symbol, as well as its links with goods and services – should be well managed because it provides plenty of scope for differentiating the company from its competitors (Argenti and Druckenmiller, 2003).

In this paper, we explore the role of CVI in reputation management. We used Fombrun and Van Riel's reputation model and connected CVI to its five dimensions: visibility, distinctiveness, authenticity, transparency and consistency. Our conclusion is that CVI can support these dimensions and that all of them are interrelated. There is convincing evidence that transparency and consistency in CVI increases an organization's visibility. But we do not want to overestimate its role. Besides the visual identity, which symbolizes the organisation, communication and behaviour are also of major importance in creating and maintaining a solid, sustainable, unambiguous reputation. Nevertheless, CVI needs careful attention and it must be well managed. CVI is more than just a logo. It not only represents an organisation, its products and services, but it's also a visual expression that can be associated with reputation. The reputation model is helpful in exploring this relationship. CVI can clearly support reputation through impressive design, effective application on a range of identity carriers, and the condition of these carriers. CVI must therefore be considered a useful tool that can be successfully applied to managing the reputation of any organization.

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