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At the core of my person is a very curious researcher. The study of global economies, culture, business and environment are my pet interest. This research paper studies the evolution of corporate communication and sustainable business strategy in the 21st century.

Corporate Communication in the Twenty-First Century

Susan Laws

Abstract

Corporate communication represents an evolving area of study within the increasing puzzle of global growth in the twenty-first century. The theoretical history of public relations originated in North America and the United Kingdom before the ubiquitous presence of technology and the internet. Since the 1950s numerous approaches and models of corporate communication have emerged. The focus of this study is to contribute to the development of a new theory of corporate constructs of identity, image and reputation, formulating competitive advantage with strategy formulation, within the framework of the new political economy – these economies do not and cannot operate in a vacuum; the economies of scale are directly interrelated as a global society.

Keywords: digital media, corporate communication, brand management, global economies, cultural buying habits, CEO personality, CRM, advertising, Asian markets, developing markets, internet marketing, public policy

Why Corporate Identity, Image and Reputation Matter

Theory and practice of corporate communication management have a different historical path of development making for complexities of integrating into policy or guidelines for global, local, large and small, corporate and nonprofit. In the 1950's corporate image held the attention of corporations; 1970s it was corporate personality. Currently branding and reputation management (RM) hold sway (Hoffman, 2011). Managing and communicating a firm's brands, building corporate identity, and protecting corporate reputation within an integrative communication platform linking stakeholders to the organization are vital issues in boardrooms. Brand identification is an essential element of global markets. The establishment of global brands represents one of the greatest challenges of contemporary corporations. India, China, and Brazil are brand driven consumer markets, which represent a significant share of market capitalization (Erdogmus, Bodur, Yilmaz, 2010).

Harvard faculty members, Balmer, and Greyser research studies steered them to the theory, ambiguity of corporate identity, communication, image and reputation within academic disciplines, has led to the dilution of leading and managing an integrated corporate communication strategy. Furthermore, to understand and practice effectively in this complicated field, scholars and managers of these corporate level constructs must adapt an all-encompassing outlook, across academic disciplines. Focused on the essence of an organization in its totality with a single perspective approach, then, superior managing of credible corporate messaging is achievable (2007). Some scholars have determine that the logical desire to control and present a unified body of organizational constructs with a unified

corporate identity is fundamentally at odds with other corporate elements: differentiation, segmentation, flexibility and responses, and market environments (Gavrilos, 2009, p. 84).

Some scholars suggest strategic communication management is the systematic planning and realization of information flow, communication, media development, and image management.

The flow of information throughout the organization, including media relations, social media, organizational communication, government relations, community relations, global corporate communication is the sum image and perception, which equals corporate reputation.

Organizations aim to communicate the same message to all its stakeholders, to transmit coherence, credibility, and ethic. Conversely, flow of information throughout an organization with the same message to stakeholders is an archaic concept, in light of organizational change and cultural markets (Smith, 2013).

What works for one organization as best communication practice might not accommodate the strategic objectives of another. Some leaders believe informational effect should be placed at the very epic-center of strategy planning and action, with a feedback loop of evaluation of intended objectives (Joint Publication, 2010). Christensen, Morsing, and Cheney support the contemporary communication model of managing the total corporate image, every department, across multiple audiences with an integrated coherent message (2008). A strategic communication platform with information flow of purposeful messaging reassures its constituencies while reinforcing positive reputation (Balmer & Greyser, 2007). Corporate identity or corporate personae are interchangeable terms. Corporate identity characterizes the vision that encompasses the company's core values, culture, and goals. Corporate branding and brand management are elements of corporate identity. For example:

logo, advertising headlines, taglines, intellectual property of product ingredients, storyboards, all names, symbols, product brands, of self-presentation (Argenti, 2009).

Whereas, corporate brand is a distinct identity type, often it can stand on its own. Image is a reflection of identity; experience with ongoing content that result in interpretation that shape images of the organization. Long term multiple images and experiences influence how customers and stakeholders perceive and respond to them. Christensen, Morsing, & Cheney advocate the theory; to achieve positive reputation an organization's identity and image are in alignment. Corporate reputation is the sum total of its tangible and intangible assets. The corporate essence permits constituencies to assess a firm's ability to deliver value products, it indicates long-term stakeholder interaction, it improves an organizations ability to recruit and retain employees, while generating increasing revenue and profitability (2008).

Methods and Standards

Effective executive communication is undergoing a paradigmatic shift with increased effort to understand corporate reputation as a macro level construct. Today more so than ever, the notion of a guide book of theories or practice of these theories is less understood.

Corporate reputation benefits are known, however scholars and executives are driven to measure the intangible elements of reputation (Ponzi, Fombrun & Gardberg, 2011).

To assess the paper value of customer equity the formula involves calculating associated cash flow with a discount factor to arrive at the present value of the asset. To calculate the intangible customer asset use the same formula. However, what drives positive company performance and customer equity and retention is the elusive formula (Kumar & George, 2007). Companies have tangible assets of plant equipment, land, buildings, inventory,

and known intangible assets, such as trademarks, proprietary list, patents, and copyrights to name a few. In addition, there are unique intangible assets, firm specific. However, the perceived value of intangible company product, reputation, and culture becomes the extrinsic asset that provides firms with sustainable competitive value (2007).

For example, Salesforce.com ranked number one on the Forbes list of the fifty most innovative companies for 2012, with estimated earning for 2013 to exceed 3 billion. All of the company revenue comes from customer relationship management (CRM) services. CRM changed the way customers manage and share business information over the internet. More and more technology companies have shifted from selling technology to providing services.

A journalist attending a recent industry function noted CEO Marc Benioff brings a rock-n-roll vibe to CRM. Benioff convincing demeanor and ability to stay on point with corporate messaging engages and entertains employees, customers and investors (Franeli & Misangyi, 2006). The organization's mantra of designing the coolest CRM system in the market, with a quick and easy set-up, and its not boring captures the culture of innovation (Samara, 2011). This enterprise successfully cultivated a strong engaging internal and external company culture. Their manta sticks in the minds of consumers; they offer an exceptional business process for implementation and customization of their product and services. All aspects of the process of doing business are positive emotional experiences (Steyn & Niemann, 2010).

Keep in mind the duality of corporate communication. On the one hand, the organization's messages are rhetorical responses to situations; on the other hand, they are carefully crafted strategic communication, which proactively personifies the company

essence, through messages, public relations, media, marketing and internal communication, in order to make the business environment receptive to the introduction of their products and services (Khanfar, 2007). Furthermore, having favorite corporate image and powerful brand equity builds a strategic market position for corporations. Similar to a football team playing offense, seal off all running lanes and gaps with marketing strategies such as channel performance, value-oriented price, promotion, and after-sales service. The goal is to manage brand equity directly and corporate image indirectly to build a vital role of sustainable advantage (Amini, Darani, Afshani & Amini, 2012).

Some scholars maintain designing a formative measure of corporate identity, image, and subsequent reputation remains elusive. The report suggest it is unclear if it is a formative construct and how it should be conceptualized using a foundational methodology (Helm, 2005). Contemporary studies indicate qualitative analysis of distribution channel performance affect corporate image and brand awareness association (Ahmed, 2011). Research shows satisfaction of support services with value-oriented price has a positive effect on brand loyalty and corporate image. Ongoing experience builds corporate reputation. Brand loyalty is the quantitative scorecard of corporate success (Brakus, Schmitt, & Zarantonella, 2009).

Further Discover of Corporate Communication

Business ethics focuses on decision-making processes within companies. Corporate ethics is central to reputation management. Effective communication is not just what is said in an organization, but how it is said. The public message of CEOs to promote favorable images among stakeholders is subject to intense scrutiny. The leader's voice, language,

suitable to the corporate situation, content, and style, is not lost on the consumer and stakeholders. How they respond to situations and present themselves can be profoundly influential (Amernic & Craig, 2007). In addition, digital media creates options for corporations to tell their story. It serves as catalysis for creating and influencing external and internal stakeholders (Prasad, 2011).

CEO's dialog with stakeholders contributes to the larger narrative that tells the firm's story. It is a means of communicating strategic positioning in the community and marketplace. Power of the CEO as the face of the corporation cannot be overstated, as noted with the Salesforce.com example (Franelli & Misangyi, 2006). Communication is not just one of the tools of the corporate communication process; it is the spirit which leadership practices it. Leaders chart the course of the firm's culture, they look to the future, they provide purpose and meaning, seek innovation, impassion their stakeholders.

According to Weber Shandwick's global research, positive corporate image is on the minds of consumers. The majority of consumers polled (two-thirds) are watching CEOs and forming an image as to the trustworthiness and credibility of the company. The research results indicate that the growing trend of consumer interest and perception of CEOs affect their buying habits. In addition, the leader's reputation matters to senior management and front line staff (2012). Top leaders are responsible for making decisions that focus the firm to meet its mission and vision. Corporate leadership communications are important across the globe, but largely in emerging markets. China, India, and Brazil consumers rely on executive communications when learning more about a company. In addition, the data shows consumers in emerging markets are focus on brands, and plan when making purchases. By

2025 more than half of the world's population will have joined the emerging markets with approximate spending of 30 trillion (Sheth, 2011).

Emerging markets represent 36% of global GDP. Currently multinationals derive on average 17% of their earnings from these markets. Corporations have focused on emerging markets, as the US and EU markets are stagnant, moreover, the trend of global consumption of consumer spending is long-term growth. Strategy of market penetration, diversity of consumer preferences, purchasing power, culture, economic conditions all matter in the structure of companies who wish to compete effectively.

Brand culture has to conform to consumers' individual demands for consumption. When consumers accept a brand and have a psychological response with its brand culture, they will purchase it naturally. Scholars suggest emotional branding is a process of bonding. The senses are engaged, satisfied, and delighted creating an attachment and subsequent customer loyalty (Brakus, Schmitt & Zarantonella, 2009). Emerging market consumers have embraced new ideas and a changing cultural environment. These consumers seek to purchase brand products, the challenge is constructing brand culture, creating brand loyalty and ongoing consumption (Yang, 2010). Complexity of cultural systems requires customization and segmentation for building brand loyalty. Although organizational identity can be a powerful tool for mobilizing and directing employees, consumers and investors it can also constrain the process of forging market identification and brand loyalty (Amernic & Craig, 2007).

Conclusion

Innovation, technology, and capital have amplified business competition in local and international markets. The pace of globalization appears to be accelerating, presenting

businesses with significant opportunities and challenges. The question to consider is what makes a company different and better than the hundreds of other product or service providers? How is a company's innovative communication strategy more compelling? These questions concern the reputation process and message framework of an organization's competitive offering (Hood, 2009). The 21st century business dynamic necessitate corporations to seek out new opportunities to create competitive advantage while redefining concepts of functional boundaries. Good companies perform cohesive business activities well, including public relations, product segmentation, and distribution, finance, customer service. Great companies perform cohesive business activities while redefining concepts of functional business boundaries within a strategic communication framework integration of social, cultural, and environmental interpretive influences while maximizing identity, image, and reputational effect of their unique offering (Argenti, 2009).

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