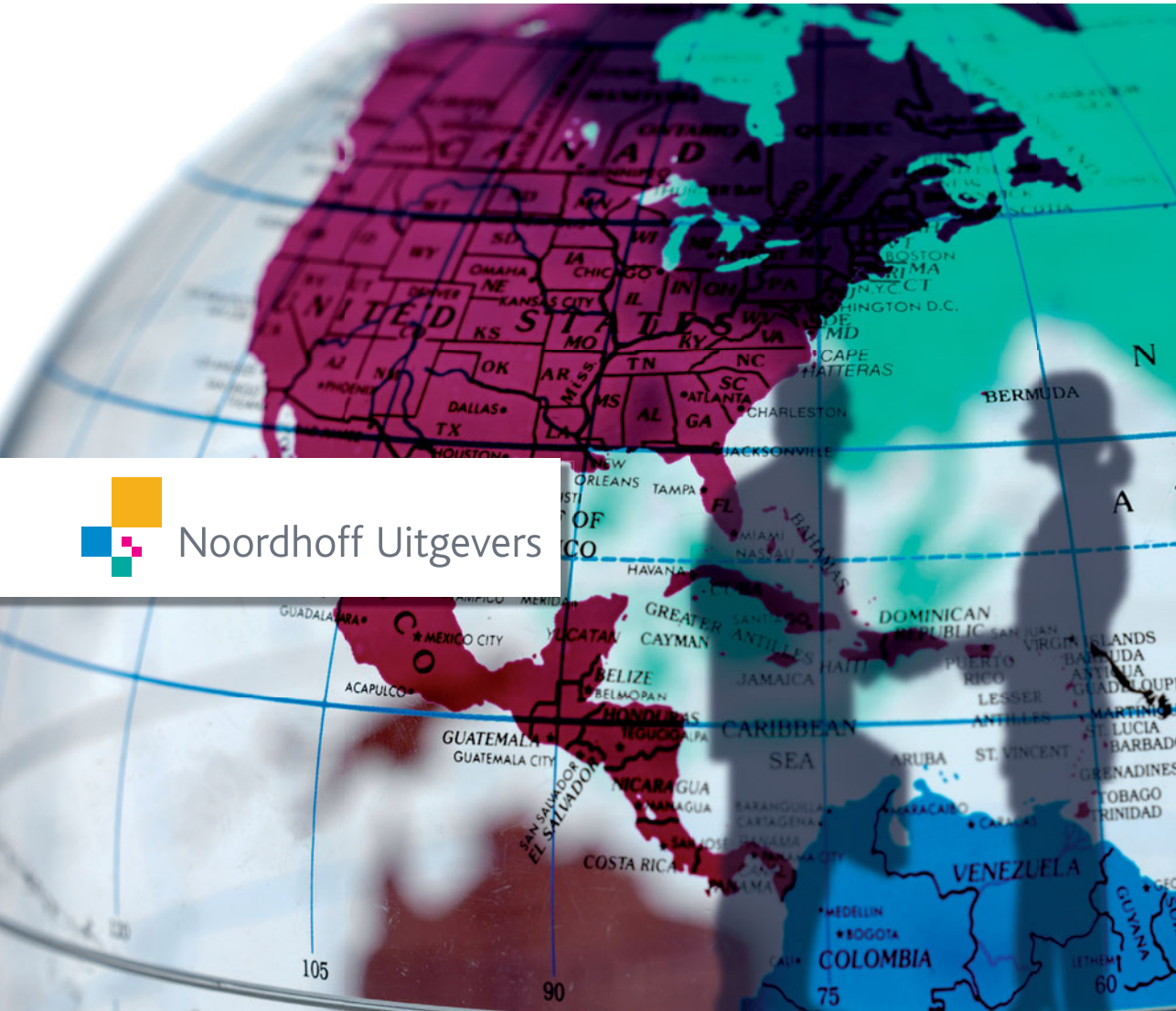An introduction

Corporate Communication Worldwide

Mariët Herlé, Carin Rustema

Second edition

Noordhoff Uitgevers

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Preface

Corporate Communication Worldwide covers a wide range of corporate communication aspects and prepares those who aim to be active in the communication field in an international context. In today's world, the meaning of worldwide is truly dynamic and this book reflects such new reality.

By covering some of the basic principles of global media theory, intercultural communication, internal communication and marketing communication, the authors prepare the reader for a true understanding of the international communication practice. Special attention is given to global case studies from *all* the continents in the world, including some of the emerging markets like China, Brazil, India, Russia and South Africa. The different cases, practical examples and tips given by the authors to the reader offers a first and clear understanding of what to expect in the communication profession. Both undergraduate and graduate students or young professionals who would like to be introduced in this professional field, can use this textbook.

Remarks of users have been gratefully used in the revised edition. And the book has been extended with more recent cases.

The authors, Mariët Herlé and Carin Rustema, are both involved in (post) graduate lecturing in the Netherlands and abroad, and simultaneously work in the consultancy and communication field since many years both in Europe and Asia. The combination of the theoretical knowledge and hands-on attitude is reflected in this book.

The authors,
Spring 2011

Contents

How to use this book

Every chapter of this book contains the same elements.
- Introductory case: this international case illustrates which aspects of corporate communication are dealt with in the chapter. All introductory cases have some related questions which introduce you to the theories discussed in the chapter. The introductory cases might also raise additional questions which will be dealt with in the chapter.
- Theory: the content of each chapter consists of a discussion on different theories of corporate communications.
- Jobs: this section illustrates that the content of the chapter is useful knowledge for communication practitioners and is often applied in organisations. It also shows the various kinds of specialised jobs within the corporate communication field.
- Cases: the cases are real life situations, showing how organisations from all over the world deal with corporate communication. Questions are given for you to practice your theoretical knowledge using the actual case.
- What Went Wrong (or What Went Right): these are small examples, taken from our own experience with students working in placements or struggling with a thesis, or from our own practice, to illustrate how a small mistake may have a large effect (or how a small mistake can be solved through corporate communications).
- To Remember: this is the last part of the chapter that helps you during your studies by summarising the terms used in the chapter.
- Questions: with these questions you can work your way through the book in order to give you a better and overall understanding of the chapter. You can work on these questions in a group.

We wish you a lot of success!

The authors
Spring 2011
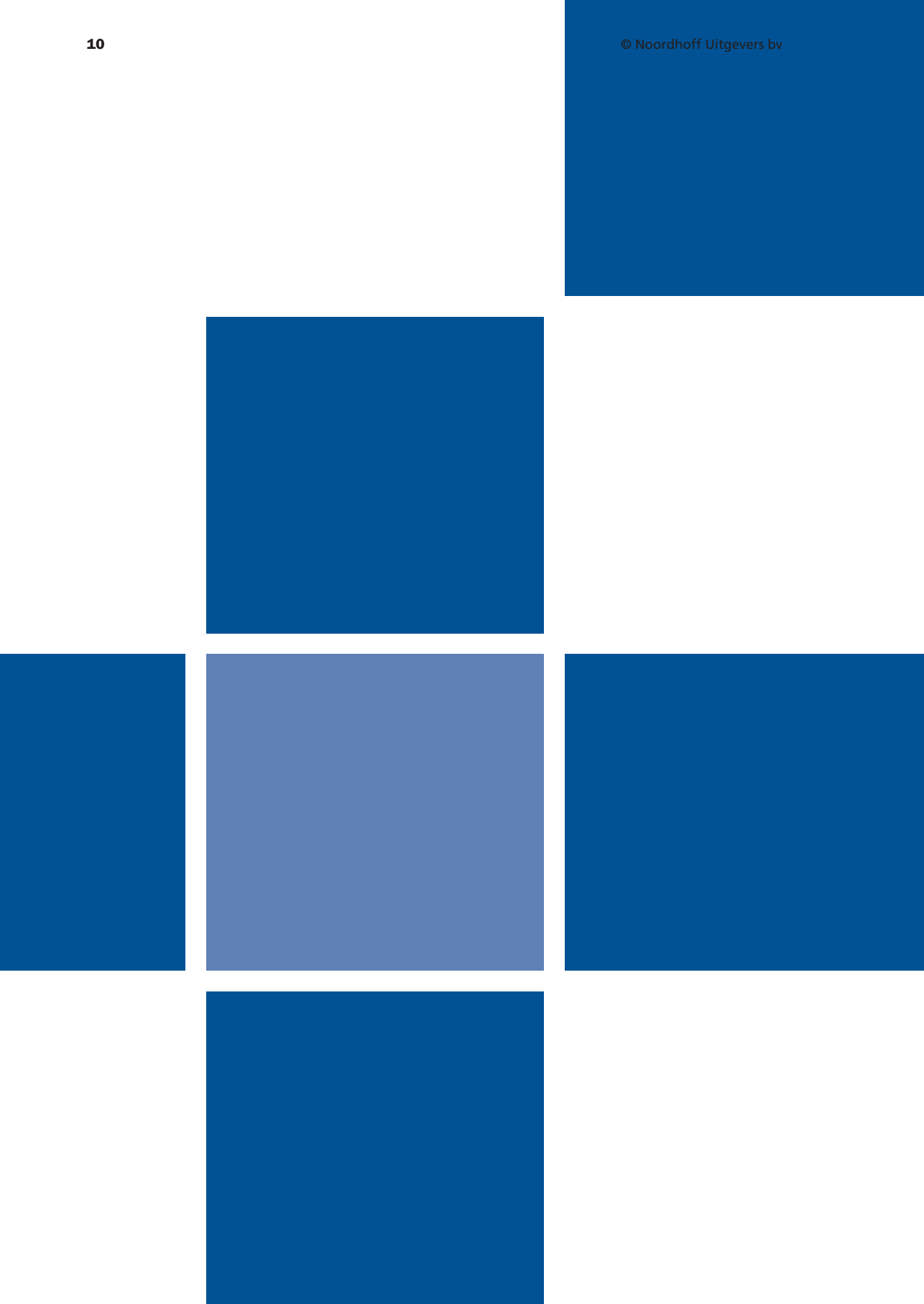
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The Communication of Organisations

Like a person, an organisation cannot be invisible. Not only clients, but also suppliers, the government, the neighbourhood and investors have an impression of that organisation. All these groups together give the organisation its 'license to operate'. Corporate Communication is the discipline that initiates and organises the communication of an organisation. In this chapter you will learn what Corporate Communication is all about.

After studying this chapter you will have some answers to the following questions:
• Why do organisations have to communicate?
• What disciplines are there in communication?
• What roles does an organisation play in society?
• How is a mission statement formulated?
• What are stakeholders and how are these mapped?

1

Subway Restaurant Chain and child obesity

IMAGE 1.1 Jared's Journey

Source: http://www.subway/Freshbuzz/website/Jaredsjourney

The professional magazine of American Advertising, AdAge, writes the following:

Subway Launches Massive Childhood Obesity Campaign

Shifts One-Fifth of Ad Budget to Awareness Programs

By Kate MacArthur
CHICAGO (AdAge.com) Four years after introducing a diet craze capitalizing on the 245-pound weight loss by Jared Fogle, Subway Restaurants is taking on the childhood obesity epidemic with a massive public awareness campaign that

will account for one-fifth of its annual advertising budget.

Kids' Pak meals
Called Subway F.R.E.S.H. Steps, the effort includes a pledge program for children to adopt healthier lifestyles, activity-based toys in Kids' Pak meals and an expansion of the chains' relationship with the American Heart Association as its first

ever sponsor of the AHA's Jump Rope for Heart program. At least 15% of people between the ages of 6 and 19 are overweight, according to the most recent survey from the National Center for Health Statistics. 'We have a firm belief that we hold a position within the consumers' consciousness where we can actually change people's awareness and people's understanding of eating and exercise habits,' said Chris Carroll, VP-marketing for Subway's Franchisee Advertising Fund Trust. He said this is the chain's largest corporate responsibility effort to date.

11-spot campaign

Central to the effort is an 11-spot campaign of 30-second and 60-second TV spots that feature a trio of kids who have changed their lives by eating better. The spots detail how Madison Newberry can now wear jeans, Isaac Villarreal can play football and Cody Lawler can live without fear of being teased. None show children eating, but they do talk about how Subway can be part of a healthy lifestyle.

The spots were created by former agency Fallon, Minneapolis, before it parted ways with Subway. The spots carry the 'Choose Well' tagline created by interim agency McCarthy Mambro Bertino of Boston. David Lubars, Fallon Worldwide President / Executive Creative Director, said the spots were shot simply and focused on how the children felt better. 'You don't want to exploit kids and we just wanted it to be the truth,' said Mr Lubars. 'None of the kids are skinny and we are not promising any miracles.'

Subway survey

Four months ago, Subway tapped youth and family agency Strottman Consulting Group of Irvine, California, to survey 2,682 children aged 5 to 12 on their attitudes towards eating, physical activity and wellness as part of an ongoing study. It found that 8 out of 10 children said they knew someone who is 'very overweight' and that children between the ages of 10 to 12 are more likely to describe themselves as overweight. Subway hired Fleishman-Hillard of New York to set the public relations strategy and integrate the campaign elements. The agency involved more than 30 influential nutritionists, educators and government officials, and coordinated outreach to them, said Nancy Selliger, Executive Vice President and Senior Partner at Fleishman-Hillard.

TV show

MediaCom came up with the idea of a news package for a TV morning show on childhood obesity that the marketer could participate in and support with advertising. It struck a deal with Viacom's CBS to run a three-segment story package on the topic. The agency also struck a deal with Viacom's Nickelodeon to create 30 'up close and personal' health and wellness vignettes that mimicked the ads. One set of fifteen 60-second segments about girls involved in athletics breaks this month and another fifteen about boys and girls breaks in September. 'You'll see a lot more of this kind of integrated work from us going forward,' said Mr Carroll.

Questions

Look at www.subway.com to get an impression of this company.
1 Why does Subway care about obesity?
2 What communication techniques does Subway use to work on the problem?
3 What agencies are involved?
4 Who do you think builds Jareds homepage?
5 Describe the various parts of Subway's campaign.
6 What could have happened to the company if Subway had not embarked on this campaign?

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1.1 What is this book about?

The field of communication has many specialised subjects. Whoever looks in a library or on the Internet for 'communication' as a subject will come across a lot of different subjects. To avoid confusion, let us start to determine what this book is about, and what it is NOT about. The subject of this book is Corporate Communication, defined, for example, as[1]:

> The management function within an organisation (profit or non-profit) which is responsible for communication processes that are initiated from within the organisation and trying to promote a sustainable interaction between the organisation and groups of the public in the internal and external environment.

Which elemements are important in this definition?

Management function
Communication should be a management function; to be able to analyse and advise properly, a communication manager has to know what is happening at a strategic level in an organisation. Thus corporate communication is not only an operational activity. The strategic function at top management level is essential.

Communication processes
Communication is a multi-layered process. A set of measures is usually necessary (for example organising a stakeholder meeting together with press publicity on an issue) to reach communication goals. These measures do not constitute a single step but should be seen as a process that involves several steps.

Initiated by an organisation
Communication should be a proactive activity, but often the organisation reacts to events in the outside world and communication is initiated. However, corporate communication activities are always initiated by the organisation. Communication that has been initiated by the press, without involving the organisation itself, cannot be defined as corporate communication.

Trying to promote a sustainable interaction
Interaction is the key word. For communication, at least two parties are necessary. Simply sending messages is not effective. The interaction should be sustainable, that is, it should be a lasting relationship.

Groups of the public
These groups can include anyone. Corporate communication is not only with the partners that you choose, like clients and suppliers, but also pressure groups, NGO's and other groups that would like to interact with the organisation. Involving different groups in corporate communication is essential.

Internal and external
Corporate communication deals with the exchange of information between the employees of an organisation as well as with external groups (for example clients, suppliers or press).

1.2 What is this book NOT about?

To avoid confusion, perhaps with other subjects that you are studying, it might be helpful to define what you cannot find in this book.

Communications technology
This book is not about the technology of communication, like the Internet, telephones, and so on, although organisations obviously also use technology to communicate.

Business Communication
Subjects that are generally taught under this name have to do with the personal communication of people in organisations: how to build up an argument to convince an audience, how to write a letter, how to give a presentation, how to have a conversation or a sales talk, how to conduct a meeting, or how to write an article or a report. These skills are definitely useful and important, but are not a subject of this book[2].

Communication studies
These subjects often deal with the theoretical studies of how mass communication works. What influence does mass media have on the individual? What is the effect of mass communication on societies? What can we learn of psychological studies on changing behaviour of target groups[3]?
These studies are the theoretical source of Corporate Communication, as well as Business Communication and Marketing Communication. We deal briefly with some theory in Chapter 3, Communication theory[4].

1.3 Related terms

Corporate communication includes a wide range of activities and many terms are used to define specific disciplines of communication. Although it is important to understand these specific disciplines, the use of specialised terms often leads to misunderstandings. However, some terms are often used by professionals in the field of communication and are important to know. Some examples of these terms follow.

Integrated Communication
This term is often used for integrating corporate communication, marketing communication, advertising, marketing, public relations, sponsorship, promotions, direct marketing, point of sale, personal selling, exhibitions and trade fairs into marketing communication[5].

Public Relations
In many countries the field of Corporate Communication is called Public Relations. However, it is often 'not done' to talk about public relations (especially in the northern, the north western and Central European countries). There, the term Public Relations conjures up images of 'wheeling and dealing' or 'spindoctoring', influencing people instead of entering into an honest dialogue with them. In Turkey, for example, the profession had a bad image as it was associated with 'young ladies wearing mini skirts over stockings'. In Germany in the 1960's the head of a public

relations department could be called a 'Frühstücksdirektor', as he held a director's position but only dined with the guests[6].

However, in an international context may people continue to use the Anglo-American term 'public relations'.

> Public relations is about reputation – the result of what you do, what you say, and what others say about you. Public relations aims to earn understanding and support, and influence opinion and behaviour. It is the planned and sustained effort to establish and maintain goodwill and mutual understanding between an organisation and its public. (PRCA, Public Relations Consultants Association, UK)

> Public relations help an organization and it's public groups to adapt mutually to each other.

> (In this definition, the essential functions of research, planning, communications dialogue and evaluation are implied. Key words are 'organization' rather than the limiting implication of 'company' or 'business', and 'public groups' which recognizes that all organizations have multiple public groups from which they must earn consent and support.) (PRSA, Public Relations Society of America, USA)

Reputation Management

Recently, the term Reputation Management has been added to the collection. Corporate reputation management claims to be the creation of values for stakeholders. 'On average, firms with the best reputations enjoy around a 25 percent share price premium relative to their industry[7]'. are measured by various methods and organisations. For example, the Reputation Quotient (RQ) measures corporate reputations by asking representatives of stakeholder groups how they perceive companies in areas such as:

- emotional appeal,
- products and services,
- vision and leadership,
- financial performance,
- workplace environment and
- social responsibility

A company's RQ is the resulting percentage score obtained from summing up stakeholder ratings on these attributes. This commercial model, developed in the US, has been translated and validated for the Belgian market. So far, the RQ projects have been conducted in many countries around the world, including the USA, Australia, South Africa, Denmark, Italy and The Netherlands.

Marketing Communication

Authors of books on Corporate Communication generally include Marketing Communication as a division of Corporate Communication[8]. On the other hand, authors of books on Marketing view Public Relations as an instrument for Marketing Communication as a whole. Public Relations is then divided into:

- product-related publicity;
- corporate communication.

FIGURE 1.1 The Reputation Quotient® (RQ) Research Instrument
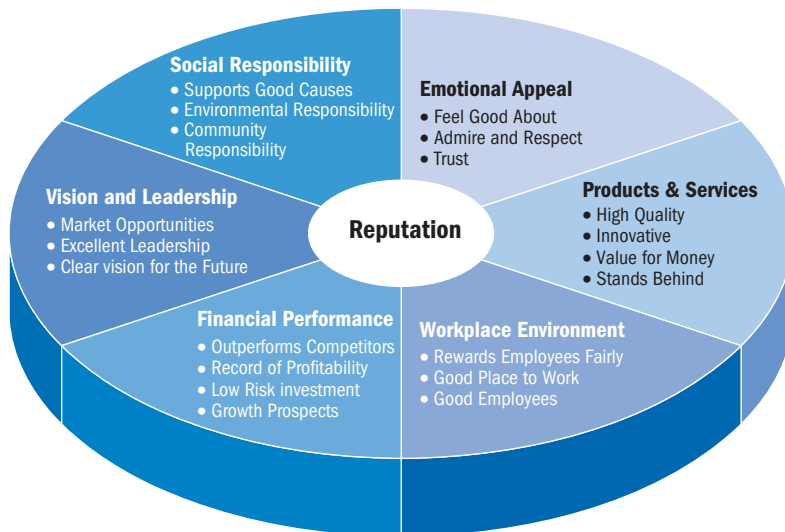
Source: Annual RQ® 2009 USA - Summary Report April 2010
© Harris Interactive

The big differences between corporate communication and marketing communication are:

- Corporate communication is the communication of the organisation as a whole, whereas marketing communication is communication aimed at customers and other parties in the selling chain.
- Marketing communication is aimed more at persuasion ('selling'), whereas corporate communication involves a dialogue. Almost every professional would agree with the view that public relations should be more than just a marketing tool, that is, 'selling' or promoting the organisation.

In this book we include a chapter on Marketing Communication, as communication professionals worldwide have to deal with the entire communication spectrum. In countries where communication is initiated, quite often corporate communication begins with marketing and gradually the need for a broader view is felt.

1.4 Goals of Organisations

When the word 'organisation' is used in this book it covers all organisations, both profit and non-profit, governmental and non-governmental. Although these organisations have different financial goals, they often function as an organisation. Corporate communication is important for all of them.

Profit: Companies
This includes large, small and international (multinational) organisations whose aim it is to make a profit. These organisations have to communicate with stakeholders including employees, shareholders, suppliers, the financial world and, of course, clients.

1

Non-profit: Governmental organisations

There are various governmental organisations such as central goverment, local government, regions and municipalities. They all have to communicate with the inhabitants (their 'clients') but also with other groups (stakeholders), such as unions, environmentalists, associations and their own employees.

Non-governmental organisations (NGO's)

These are subsidised organisations These include hospitals, libraries, the police, and so on. They have to communicate with the government, their clients, suppliers, and with their own employees.

Syndicates

These include employers unions and employees unions. They have to communicate with their members, the government, with companies and non-profit organisations.

Pressure groups

These include consumer groups, environmentalists, social activists, and so on. These groups have to communicate with their members, volunteers, the government and politicians.

All organisations must communicate; their actions cannot be hidden from the public. The aim of organisations in communicating can include:

- Organisational aim: the aim of many organisations is continuity. The services or products of an organisation must continue to be delivered. Continuity also guarantees employment for many people.
- Economic aim: all companies have an economic aim. Profit companies must make a profit, and non-profit organisations or governmental organisations must not spend more money than they earn.
- Social aim: all organisations play a role in society. Their product or service is used by people and they provide work and security to their employees. They have relationships with other companies or organisations, and they contribute to the environment or use resources from the environment. Social aims are often defined in terms of sustainability. These aims are generally characterised as 'People, Planet, Profit'.

1.5 Mission and Vision Statements

For medium and larger organisations, it is important to define corporate goals publicly and become transparent. By doing this, employees, clients and other groups understand what the organisation is striving for. This public goal of an organisation is called the mission and many organisations have a mission statement to define this goal. It is also important to clarify how an organisation views its role in society as a whole. Many organisations have defined this role in their vision. For example, the Japanese telecom organisation, NTT Docomo, defines its mission statement and vision in its annual report.

'We aim to revitalize individual capabilities as much as possible and to establish more personal communication that will truly satisfy our customers, with an eye towards creating a new world of communication culture. We will satisfy our customers and we will fully utilize the individual potential.'

FIGURE 1.2 Corporate Leaders on the Six Reputational Dimensions

Social Responsibility		
1.	Johnson & Johnson	79.85
2.	Microsoft	79.16
3.	SC Johnson	78.88
4.	Lowe's	78.33
5.	Whole Foods Market	78.22

Emotional Appeal		
1.	Johnson & Johnson	83.43
2.	Amazon.com	81.83
3.	SC Johnson	81.48
4.	Berkshire Hathaway	80.85
5.	General Mills	80.84

Products & Services		
1.	3M Company	86.22
2.	Intel Corporation	84.23
3.	Google	83.87
4.	Johnson & Johnson	83.82
5.	SC Johnson	83.46

Vision & Leadership		
1.	Berkshire Hathaway	88.74
2.	Google	83.56
3.	Microsoft	83.12
4.	Apple	82.64
5.	Coca Cola	81.92

Financial Performance		
1.	Berkshire Hathaway	86.19
2.	Google	83.38
3.	Microsoft	83.10
4.	Disney	82.57
5.	Coca Cola	82.51

Products & Services		
1.	Google	83.36
2.	Berkshire Hathaway	82.40
3.	Microsoft	82.15
4.	Johnson & Johnson	81.78
5.	3M Company	80.88

Source: Annual RQ® 2009 USA - Summary Report April 2010
Base: Familiar with [COMPANY]
© Harris Interactive

FIGURE 1.3 A closer look at the 20 notable changes in reputation among the 49 companies measured in both 2008 and 2009

Significant Improvements in RQ 2009 v. 2008			Significant Declines in RQ 2009 v. 2008		
1	Ford Motor Company	11.28	1	Bank of America	−4.92
2	Berkshire Hathaway	3.54	2	AIG	−4.55
3	Exxon Mobil	3.01	3	Verizon Communications	−4.39
4	PepsiCo	2.60	4	JP Morgan Chase	−4.34
5	Costco	2.23	5	Citigroup	−4.20
6	Home Depot	2.18	6	Sony	−3.05
7	Southwest Airlines	2.15	7	Target	−2.43
			8	Time Warner	−2.43
			9	Dell	−2.22
			10	AT&T	−2.18
			11	Whole Foods Market	−2.06
			12	Wells Fargo & Co.	−2.02
			13	Shell	−2.01

Source: Annual RQ® 2009 USA - Summary Report April 2010
© Harris Interactive

Defining a mission and vision is a group process, not an individual one. Mission statements often try to consider the three important P's: People, Planet and Profit.

1.6 Media

The visibility of an organisation is heightened by the 'media society' in which we live. The development of media has progressed very quickly, as the illustration below shows. This, together with social developments, has definitely contributed to the rapid rise of communication disciplines.
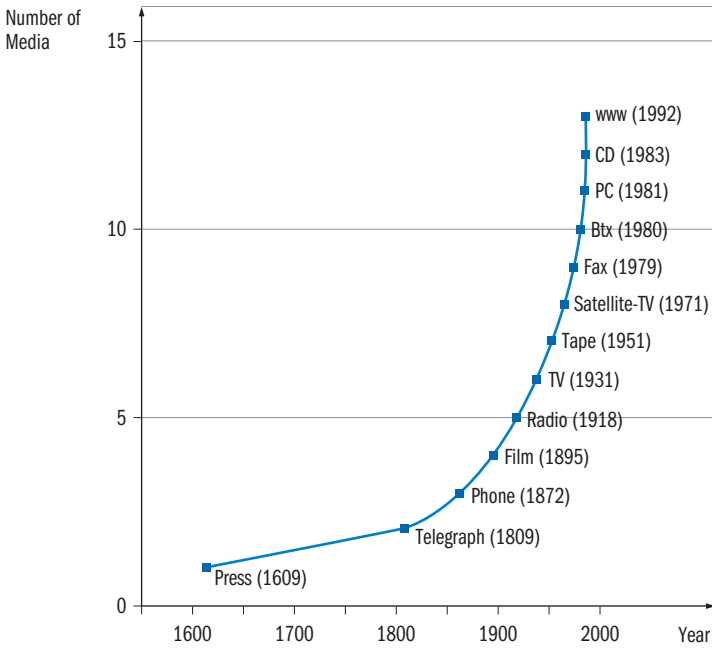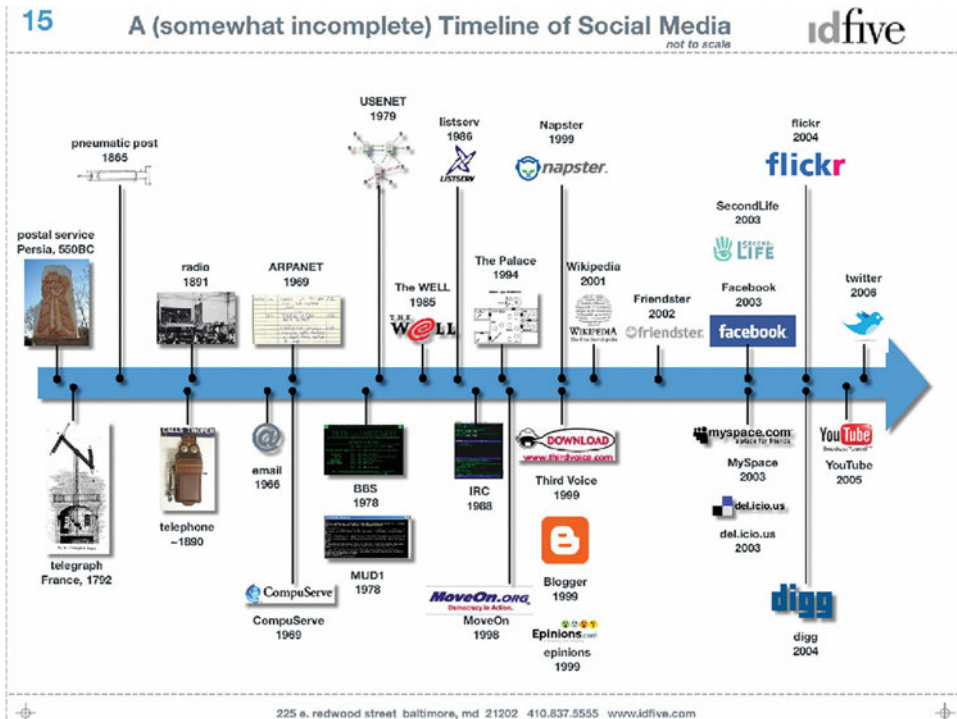
1

FIGURE 1.4 Evolution of the Media

IMAGE 1.2 Timeline media

Source: http://content.attentionscan.com/imagessocialmediatimeline

● Source: http://rd.kpmg.co.uk/mediareleases/21031.htm

Consumer media spend down but consumption up, finds KPMG survey

Consumer are spending less on traditional and digital media than six months ago, but consuming more, according to the latest KPMG Media and Entertainment Barometer, published today.

The six-monthly Barometer, based on a KPMG commissioned YouGov survey of online and offline media consumption of over 1000 UK consumers, highlights the scale of the challenge the media industry faces in halting declining revenues.

Average spend per UK consumer on traditional media fell from £9.19 in September 2009 to £7.46 in March 2010 and spend on digital media also fell (from £1.99 to £0.98.)

However, time spent consuming media has increased. The average monthly consumption of traditional media rose marginally from 11 hrs 40 minutes in September 09, to 12 hours 13 minutes. Hours spent consuming digital media increased even more, from 6 hours 14 minutes to 7 hours 28 minutes.

The survey indicated that spend has reduced across several parts of the media industry for example:
- 21 percent of newspaper readers paid nothing for these over the past month, compared with 15 percent six months ago. In London this almost doubled – 23 percent to 41 percent – highlighting the impact of the Evening Standard move to a 'free' model
- The situation is similar for print magazines with 19 percent of consumers saying they had paid nothing over the past month compared with 12 percent six months ago
- Of concern to those aiming to introduce pay walls for online newspapers, is the increasing majority of respondents who said they paid nothing for accessing online news portals - up from 84 percent in September 2009 to 88 percent in March 2010
- Spend on video games was significantly down, possibly reflecting the release of popular titles last summer such as the Batman game Arkham Asylum and others

David Elms, Head of Media, KPMG UK commented:
"The findings of the second KPMG Media and Entertainment Barometer illustrate the problem faced by the media sector in curbing the structural decline in revenues. However, online users are increasing. Online subscription models remain in their infancy and once more developed should provide a platform for significantly higher online revenues. "There is considerable focus on driving digital media revenues. Respondents indicated they do access more media because of online availability, but the tide has not yet turned as the majority of us still prefer consuming media offline. Only a quarter favoured online media access compared with 43 percent who said offline and a third said it didn't make

1

a difference. Creating integrated business models which make the most of both traditional and digital business models is therefore key for the sector."

Other key findings from the report include:
- Only 10 percent of non-subscribers anticipate possibly becoming paid subscribers to media products over the coming 12 months.
- The use of social networking / blogging sites remains the most popular online activity – 50 percent of all respondents partake, up from 47 percent on the last Barometer. Interestingly the increase among 45–54 year olds was the greatest, increasing from 37 percent to 45 percent.
- The survey found that those aged 16–24 are more likely to pay for online content than their older counterparts
- People who said they would definitely or possibly become a paid subscriber over the coming 12 months were most commonly prepared to pay for music (55 percent) and film (45 percent). They were less prepared to pay for TV (30 percent) and online newspapers / magazines (31 percent)
- The survey found a noticeable increase in the use of Video On Demand (VOD) services for TV programmes, up from 19 percent of all respondents in September 2009 to 24 percent in March 2010
- More than a quarter (27 percent) of respondents had viewed a 3D film at the cinema during the past 12 months. Despite fairly high levels of 3D viewing, relatively few indicated they were likely to buy a 3D TV next time they purchase a television set (15 percent)
- Digital book consumption remained stable, but low, with 4 percent of respondents having read one in the last month.

David Elms concludes: *"It is early days with new technologies like VOD, 3DTV and e-readers, but they are examples of the innovations and platforms which can help drive new areas of revenue of the media sector in a digital age."*

The media supply us with information on society, or, as Klaus Merken remarks:

> 'The media provide us with a daily sample of relevance and daily outline of reality. […] That is to say, no sales without advertising, no election victory without public opinion, no culture without television, no public trust without public relations. In other words, nothing is relevant and nothing is real if it cannot be found in the media.'

So how real is this media reality? In 1992, CNN News showed footage of a young girl crying because of the cruelties of Iraqi soldiers towards newborn babies in Kuwait. This turned out to be a carefully orchestrated publicity stunt from a public relations agency, ordered by the CIA, to engage support for the Iraq War. In 2004, the book of Norma Khjouri, 'Forbidden Love' was published, in which she tells how she had to flee Jordan as she describes the honor killing of a friend. It was later revealed that she had left Jordan as a small child, so this part of the story is not true. In both cases you could say that the media related truth: no doubt cruelties happened during the Iraq war, and women are still the subject of honor killings and threatened when
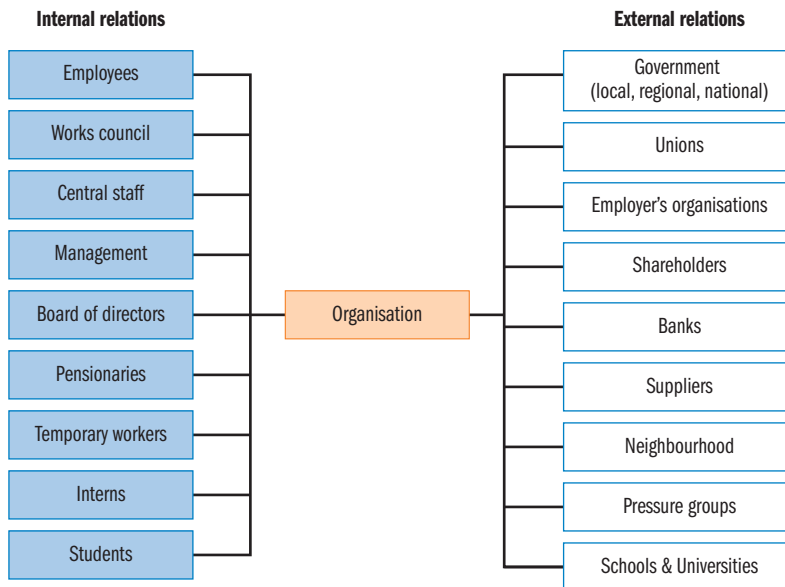
they publicise honor killings. However, both these particular stories were not true. In Chapter 3, *Communication Theory*, you will learn more about the influence of the media, and in Chapter 9, *Media and other tools* you will learn how to use the media.

1.7 Stakeholders

To be able to communicate with 'society', you have to define groups within society. These groups are called 'public groups', 'publics' or 'stakeholders'. Sometimes the word stakeholder is reserved for certain persons in those groups that are important.
Figure 1.5 gives you an idea of the sort of stakeholders an organisation can have. Sometimes these are organised in 'innner' and 'outer' circles around the organisation.

FIGURE 1.5 Stakeholders

Internal relations	Organisation	External relations
Employees		Government (local, regional, national)
Works council		Unions
Central staff		Employer's organisations
Management		Shareholders
Board of directors		Banks
Pensionaries		Suppliers
Temporary workers		Neighbourhood
Interns		Pressure groups
Students		Schools & Universities

It is not possible to give an ultimate general list of stakeholders; it is the task of the corporate communication person to decide which groups are vital for a certain organisation.

Table 1.1 gives an example of a number of public groups and issues that corporate communication might have to deal with. Communication professionals have to understand the structure of a society and the groups that play a social or economic role in this society, otherwise it is impossible to map all the stakeholders.

1

TABLE 1.1 Stakeholders and issues

Public groups	Economic issues	Legal Issues	Ethical Issues	Voluntary issues
1 Employees (Board of Directors, potential employees, employees, management, new employees, overseas associates, placement students, temporary workers	Work and income	Cooperation Following the rules in dismissal situations	Good working conditions Stability and security Developing possibilities Honesty	Education Supporting activities and interests
2 Owners Shareholders	Return on assets / investments Securing investments Maximising cash flow Solvency Profits		Adequate information	
3 Financial Groups (banks, investment advisors, etc.)	Profitability		Adequate information	
4 Customers / clients (including dealers, distributors)	Profitability Competitive products Survival of the company Product quality After sales / guarantee / service		Honesty Satisfy customer needs	Long-term business Function development
5 Suppliers	Volumes Profitability		Honesty	Sustainable and reliable long term relations
6 Trade unions / employer's unions	Consensus on wages and other benefits Joint responsibility for the economic function of companies		Safety Environment Third world	
7 Branch organisations / professional organisations	Presenting joint interests to government and public		Safety Environment Third world	
8 Competitors			Truthful information Fair marketing and pricing practices Playing by the rules	Good relations Cooperation in industry-related issues

TABLE 1.1 Stakeholders and issues (continued)

Public groups	Economic issues	Legal Issues	Ethical Issues	Voluntary issues
9 Government (national, local and in some cases international)	Taxes Employment	Following laws and regulations	Behaving with integrity	
10 Community (local)	Taxes Employment Environment	Following local laws and regulations		Supporting local activities
11 Pressure groups		Compliance with regulations regarding the environment, diversity in employment, etc.	Equal opportunities Protecting the environment Helping the Third world	Self regulation and pro-active management: taking steps before you are legally complied
12 Education		Cooperation with the development of educational programmes (the role of companies in this respect differs in each country)	Helping to develop good education	Creating a good image as an employer towards students
13 Media: television ([inter]national and local) radio (national and local) newspapers ([inter]national and local magazines: professional / popular		Not withholding information that is public	Compliance with guidelines, codes of conduct and ethics statements	Offering services to journalists

Stakeholder mapping

It is not always possible to communicate intensively with all public groups at all times. That would put too much of a strain on the resources of an organisation. Strategic choices have to be made.

The attention given to certain stakeholders can therefore be analysed in the following way:

TABLE 1.2 Stakeholder mapping 1

	Level of interest	
	Low	**High**
Low power	minimal effort	keep informed
High power	keep satisfied	keep players

This approach suggests that, although mission statements define organisational objectives derived from economic or social responsibility, not all expectations of stakeholders can be met.

The general rule of communication is that it should be a dialogue rather than a monologue. It is useless to map your stakeholders and to send them messages if you do not listen to them yourself. It therefore makes sense to describe public groups in the following format:

TABLE 1.3 Stakeholder mapping 2

Stakeholder	What do we know about them?	What do they want from us?	What do we want from them?

Jobs

Within this broad field of corporate communication, there are specialised functions. The work is done by in-house departments and / or by agencies under a host of names including media relations, press office, media / presentation training, public affairs, advising (including research and evaluation), corporate identity, strategic planning, creating media and advertisements, copywriting, online PR, buying media space, sponsorship, event and conference management and internal communication.
Divisions by sector are also made, such as financial communication, health communication, governmental relations and ethnocommunication.
In short, the names given to communication departments or communication agencies may vary in each organisation and country, but it is generally agreed that the communication of an organisation needs to be coordinated. It is very important that, for example, external and internal communications are tuned, that marketing communication and corporate communication show one consistent image, and so on.
Listening to your audience can lead to the following jobs for the communication department or communication agency:
- Mapping the public groups (this map can be used to write strategic plans or communication plans, and can be used in a relationship program);
- Tracking the public groups: this involves continually examining points of view of public groups by clipping newspapers, monitoring websites, tv and radio programs;
- Individual talks with stakeholders;
- Attending meetings and conventions to communicate with stakeholders;
- Joining in committees and so on in which stakeholders are present;
- Maintaining press relations.

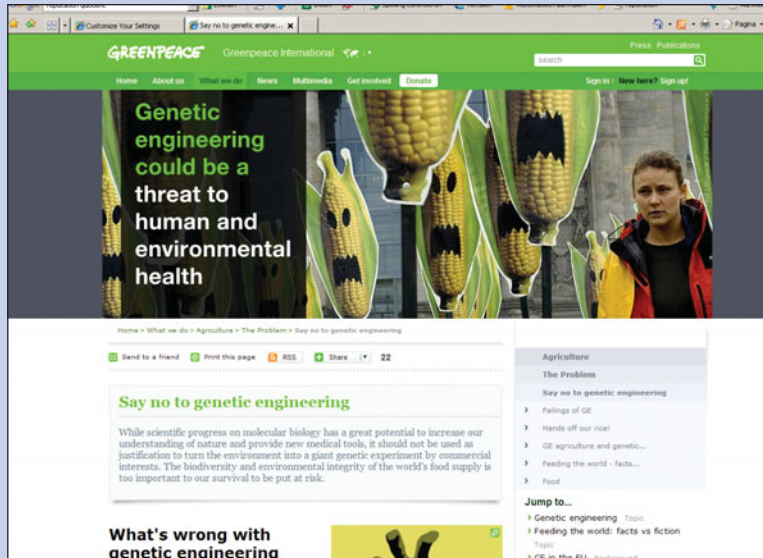---

Case 1.1   Greenpeace and genetic engineering
Case 1.2   Sex Shop Chain Wins Fight Over Job Ads
Case 1.3   Shell in Nigeria

CASE STUDY 1.1

Greenpeace and genetic engineering

IMAGE 1.3 Greenpeace

Source: http://www.greenpeace.org/international/en/campaigns/agriculture/problem/genetic-engineering/

IMAGE 1.4

Source: http://www.greenpeace.org/international/en/news/features/GE-a-recipe-for-disaster/]

Questions on case 1.1

1 What stakeholders does Greenpeace aim at?
2 What media engages Greenpeace to bring its message?
3 What influence will this message have on the corporate communication of the EU?
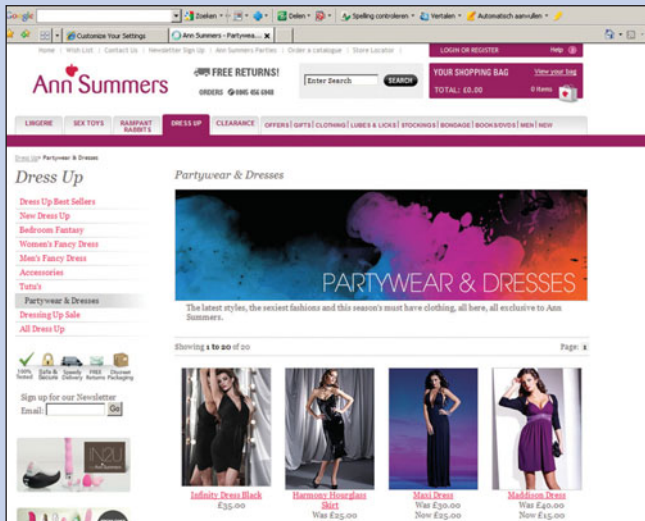
CASE STUDY 1.2

Sex Shop Chain Wins Fight Over Job Ads

IMAGE 1.5 Ann Summers sex toys

Source: http://www.annsummers.com
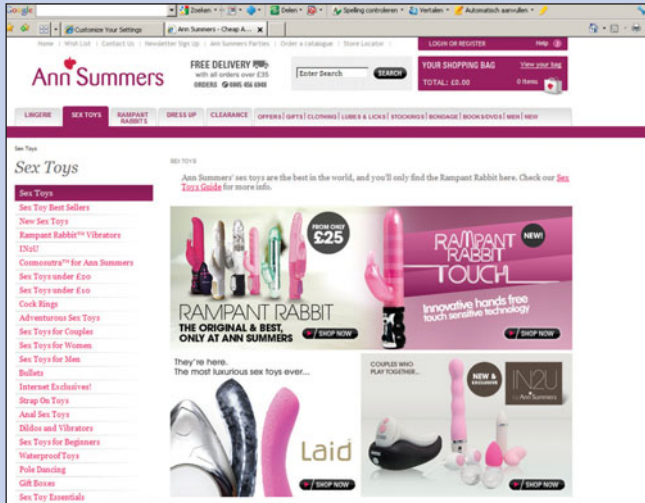
IMAGE 1.6 Ann Summers lingerie

Source: http://www.annsummers.com

Sex shop chain Ann Summers, which brought sex toys and saucy lingerie to the masses, won a legal battle on Wednesday when a judge ruled that government job centers must post its help-wanted ads.
They had refused to publicize the company's vacancies because of a government policy barring businesses associated with the sex industry from advertising with state employment centers.

"I think this is a fantastic victory both for Ann Summers and for common sense," the chain's chief executive Jacqueline Gold said afterwards.
A High Court judge ruled that the ban was unlawful, saying that the employment exchanges of Jobcenter Plus had lost sight of their primary purpose of helping people find work.

"It (Jobcenter Plus) paid insufficient regard to its legal obligation to assist employers to find vacancies," Justice Newman ruled.

Ann Summers has become well known in Britain with 82 stores around the country selling raunchy clothes and sex toys with provocative names like "Rampant Rabbit," "Nipple Ripples" and "Jiggle Balls."

In defending its ban, Jobcenter Plus said that advertising Ann Summers vacancies could cause embarrassment to job seekers.

But the chain countered that many other clothing and department stores in Britain also sold lingerie, vibrators and novelty sex items and were not considered to be part of the sex industry.

Questions on case 1.2
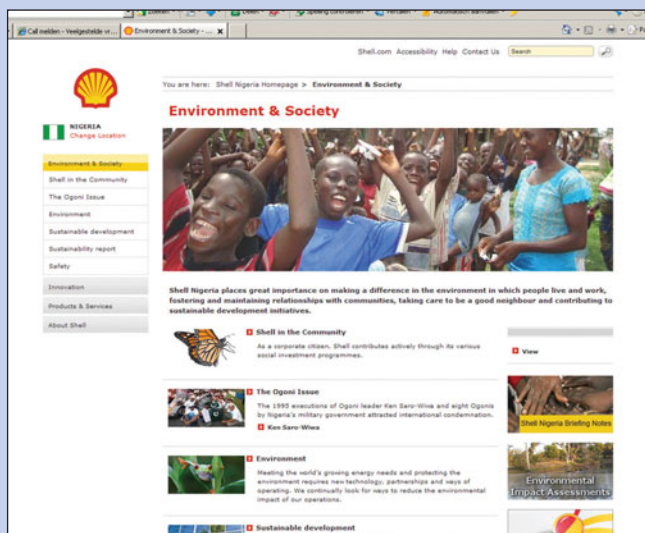1   Make a stakeholder map for Ann Summers
2   What stakeholders should have been approached to avoid the recruiting problems of Ann Summers?
3   What should Ann Summers do in future to ascertain the services of Jobcentres?

CASE STUDY 1.3

Shell in Nigeria

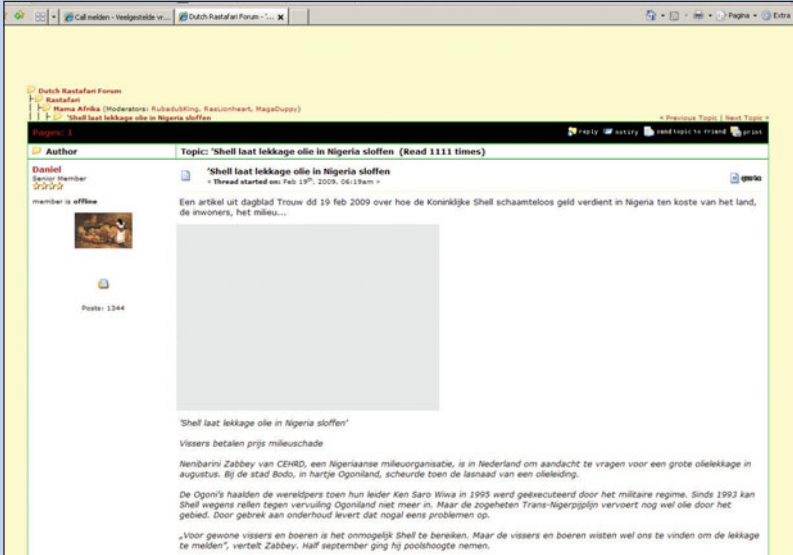Shell presents their business in Nigeria with this website:

IMAGE 1.7 Shell over Nigeria

Source: http://www.shell.com.ng/home

A Dutch Rasta site presents the business in Nigeria with this website:

IMAGE 1.8 Dutch Rasta/Shell Nigeria

"Shell neglicent in Nigerian oil leakage"

Fisherman pay price environmental damage

Nenbarini Zabbey of CEHR, a Nigerian environmental organization, is in the Netherlands to ask for attention for the big oil leakage in August. Near the town of Bodo, in the heart of Ogoniland, the weld in an oil pipe burst.

The Ogini's made world news when their leader Ken Saro Wiwa was executed by the military regime in 1995. Since 1993 Shell cannot manage the riots against pollution in Ogoniland. But the so called Trans Niger pipeline still transports oil through this area. Because of lacking maintenance this creates quite a lot of problems.
"For ordinary fisherman and farmers it is impossible to contact Shell. But fishermen and farmers could reach us to report the leakage:," Zabbey tells. Mid September he started investigating.

It took Zabbey three weeks to write his report. "We wanted to use it for the commemoration of the birthday of Ken Saro Wiwa on the 10th October." Only when the leak had not been repaired the 12th October, Zabbey called the environmental committee of the county of Rivers. Whether inhabitants reported the leak earlier, he does not know. However, Shell only closed the weld the 7th November. In the creaks near Bodo 1600 barrels which equala a quarter million oil was leaked, according to Shell.
(…)
Shell refuses to answer questions of the Dutch Trouw journalist. "As the case now is dealt with in court", according to spokesman André Romeyn. At the Nigerian website of Shell some explanation can be found of this policy. Country CEO Basil Omiyi states: "poverty, insurrection and crime are three interlinked problems of the Delta. The more interlinked these are, the bigger the crisis."
(translation of the Dutch text on Dutch Rasta website)

1

Questions on case 1.3
1 Compare the images of the websites. Are both true images?
2 Does Shell discuss Ken Saro Wiwa on their website? Why?
3 Is it wise of Shell not to answer questions of a journalist?
4 What would you advise Shell to create a better image of their business in Nigeria?

What Went Wrong (1)

A Swiss communication consultant, employed by the supermarket chain Metro, was asked to plan the communication campaign for the opening of the first supermarket of Metro in South India. He started to work on his plan and ensured that all the stakeholders were included in the plan. He realised that in an emerging market but agricultural-based economy like India, different stakeholders would be active, so he spent a lot of time mapping the public groups. He made his corporate communication plan based on these preparations.

Two days before the opening of the Metro supermarket in India, it suddenly appeared that a new pressure group had become active and was placing big advertisements in local newspapers. 'Close the Metro, no more colonialism in India' was the heading of this advertisement. Apparently, a group of middle class Indians, including IT students, strongly objected to the opening of the Metro since Indians were rejected to invest and work in the software industry in the US. The pressure group claimed that India had to act strongly against foreign investments, since many western economies were trying to keep the Indians away.
The advertisement, placed by this pressure group, delayed the opening of the Metro by 4 weeks. Local farmers, students and middle class families protested strongly at the gate of the Metro. The police had to calm the group down and Metro had to explain how their supermarket could create local employement in India. Only after Metro answered this question could the supermarket open its doors. But, since many consumers had become sceptical, their turnover figures are less than expected.

Lesson learnt
Searching for and identifying stakeholders is important during the preparation of a corporate communication, but this is not always enough. Following the news and understanding social trends in a society is essential as well. New pressure groups can be formed within a few days and they can be (suddenly) very active. Being proactive towards a social trend is important to keep, create or protect the corporate reputation of the organisation.

What Went Wrong (2)

A student had a placement at a Namibian organisation for tourism. Her job was, among other things, to turn a traditional 'homestead' (village) into a tourist attraction. She spent quite a few months interviewing local people about their culture, in order to be able to make the right descriptions and to instruct the local guides on the stories, songs, dances and so on, that could be added to the tourist project.

After a while she discovered that Windhoek University had quite a lot of material on the culture of this particular homestead, and that local museums were also interested in contributing.

Lesson learnt
Always begin by looking at the public groups of an organisation, check what they are doing, and join forces where possible.

To Remember

1

Corporate Communication	The management function within an organisation which is responsible for the communication processes that are initiated from within the organisation and thus trying to promote a sustainable interaction between the organisation and groups of the public in the internal and external environment.
Mission Statement	A statement in which an organisation describes its intentions.
Organisations	Government, non-profit (governmental), NGO's
Public groups / stakeholders	The various parties an organisation has to deal with

Final questions

1

1.1   Give an example of corporate aims in terms of 'People, Planet, Profit' for a bank in China.

1.2   Describe the following for four of the cases from this chapter:

	Subway Restaurants	Greenpeace	Shell	Ann Summers
Aims of the organisation				
Possible Mission Statement				
External stakeholders				
Advertising involved in corporate campaign				