

THE VALUE OF DESIGN RESEARCH

THE ROLE OF DESIGN IN THE REPOSITIONING OF A CORPORATE BRAND

11TH EUROPEAN ACADEMY OF
DESIGN CONFERENCE

APRIL 22-24 2015

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ABSTRACT

Philips has recently established a new brand strategy, which builds on the company's heritage of creating innovations that matter to people. The mission of the company is to improve people's lives through meaningful innovation and the new brand strategy emphasizes a clear orientation towards a more human-centered approach. The tagline 'innovation and you' conveys the brand promise of delivering meaningful solutions that matter to people. The new corporate brand positioning and identity was first introduced to Philips employees in order to convey the new brand strategy internally. The purpose of our research is to explore the role of visual materials in the organizational articulation of strategy. Graphic design emerged as a key element in the internal processes to articulate strategic intent at Philips and our findings suggest that design is not simply a medium or a tool that translates the strategy of the company in the end of a process of communication. Rather, design can be regarded as co-constitutive of the very own strategy it helps to implement. Graphic design is the principal translator of the corporate brand strategy, making it accessible and open to be interpreted in the different international offices of the corporation. Design outcomes become the materialization of the multinational strategic intent – a form of tangible strategy that can be interpreted, engaged with and build upon. Our research analyses and discusses these perspectives, devising broader implications from our case study setting.

Keywords: Brand, Graphic Design, Visual, Material, Strategy.

1 INTRODUCTION

A view on strategy as something that people do, instead of something that organizations have, has been increasingly explored in recent years (e.g. Jarzabkowski et al. 2007). The idea of strategy as practice depicts strategy making as a dynamic and specifically discursive practice (Ezzamel & Willmott 2008, Jarzabkowski 2008). By invoking the notion of practice, research in this path seeks to realign tradition of process-based strategy research (e.g. Mintzberg 1990). The strategy-as-practice research community has been motivated by the assumption that our understanding of what strategists do and how strategy is made is limited. While researchers, in the broad management domain, have acknowledged that discourse encompasses verbal, as well as visual, representations, the majority of existing research has almost exclusively focused on verbal text (Meyer et al. 2013). However, if one focus mainly in the discursive textual dimension of strategy practices won't we have the risk of downplaying other important aspects of the processes involved in strategy? It has been suggested that material visual artifacts may serve as occasions for

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sensemaking in organizational and managerial contexts, particularly in processes of strategizing (Heracleous & Jacobs 2008, Kaplan 2011). However, this perspective continues to be empirically under addressed. In particular, and to the extent of our knowledge, there are no studies that explore visual material artifacts in the organizational dissemination of strategy and our research question is the following: “what is the role of visual material artifacts in the process of strategy articulation”? Our study answers a call for research on the study of how the strategic intent related with brands can be articulated through material artifacts inside organizations (Karjalainen & Santos 2014).

To address this question we have developed a case study oriented process of research, which is based on a longitudinal process of non-participant observation, where we have followed Philips internal dissemination of its new corporate brand strategy. We have benefited from full access to a Philips business unit where the new brand strategy of the company has been communicated to its employees throughout the last ten months. Graphic design emerged as a key element in this internal process of dissemination of the new strategy. Our case reveals the importance of visual material artifacts in the practice of strategy, in particular, in the dissemination of strategy in a multinational corporation. Moreover, our work illustrates how graphic design can assume a central role in the internal dimension of organizations.

The structure of this article is as follows: in the next section we will discuss related literature and right after we will explain in more detail the methods employed in the research. Then, we present the case findings and develop a discussion about the role of visual material artifacts in the internal processes related with the practice of strategy. Finally, we end the article with the conclusions and a discussion of future avenues of research.

2 RELATED LITERATURE

2.1 CORPORATE BRAND IDENTITY

Corporate brand identity can be regarded as an identity type that encompasses specific features and values that are chosen and associated with a corporate brand to represent the company and its offer (Balmer & Greyser 2002). Corporate brand identity is commonly materialized through the corporate name, market offer, logotypes, slogans, and different forms of planned communications (Olins 1995, Balmer & Gray 2003; Aaker 2004; Blombäck & Ramírez-Pasillas 2012). Corporate brand identity provides the link between a company and its stakeholders, informing audiences about what to expect from the company (Aaker 2004) and results from processes that emphasize different features of the organization (Blombäck & Ramírez-Pasillas 2012). Thus, corporate brand identity articulates aspirational associations and positioning, implying a need to translate corporate identity into a collection of specific elements that distinguish the company, such as artifacts, slogans, espoused values, graphic design, color, and symbols (Aaker 2004). It has been acknowledged that the artifacts associated with corporate culture (Ind 1997), symbolic graphic design and internal corporate communication (Balmer & Gray 1999) are key elements of the intended corporate brand identity (Vallaster & de Chernatony 2006). Graphic design outcomes in particular, although mentioned mostly in normative works, still remain underexplored in research about corporate brands and corporate identity.

2.2 THE VISUAL AND THE MATERIAL IN ORGANIZATIONS

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In our study we are particularly interested in the how visual material artifacts can be regarded in the setting of strategy practices. We regard visual artifacts as material manifestations that can be grasped by sight. The term material is regarded broadly as something with an existence that can be apprehended by human senses and following this logic we envisage something that can be seen on a screen is regarded as material – for example a movie, an email, an image. In this sense we regarded visuality as deeply intertwined with materiality.

For decades, materiality has either been downplayed or taken for granted in social thought and sociology (Schatzki 2010). Organizational research has typically viewed artifacts and other visual elements as symbols, focusing on the organizational and cultural values that artifacts are intended to communicate (Gagliardi 1992, Trice & Beyer 1993). However, an increasing number of studies have started to acknowledge that organizational practices can be regarded as sociomaterial (Orlikowski 2007) or visual (Meyer et al. 2013, Steyaert et al. 2012) and that contemporary brands can be regarded as a conjunction of material and immaterial elements (Moore 2003, Diamond et al. 2009, Karjalainen & Santos 2014). Much of this research is inspired, or at least, influenced, by studies of technology and science (e.g. Latour 2005), that have been challenging conventional distinctions between the social and the material. Research in the sociology of science shows how scientists use a variety of tools, documents, and instruments to support scientific inquiry and argues that the openness of these "epistemic objects" facilitates the collective production of new knowledge (Stigliani & Ravasi 2012).

In connection to research on sociomateriality, the visual dimension of organizations has also started to attract scholarly attention at an increasing speed (Meyer et al. 2013, Steyaert et al. 2012). For a long time the visual was used in anecdotal fashion to support something that was said verbally, but during the last few years we have been witnessing an emerging interest on bringing the visual to the core of organizational theorizing and analysis. Furthermore, there is also a growing stream of research approaching the visual from a performative perspective (Bolt 2004, Steyaert et al. 2012); that is to say, performativity assumes that the visual (be it an image, a presentation, a logo, for example) not only represents reality, but it also participates in constructing and shaping it. By assuming that images and other visual material have performative power or potency we are acknowledging their capability to contribute to organizational theorizing.

3 RESEARCH SETTING AND APPROACH

Royal Philips, commonly known as Philips, is a Dutch based and globally operating technology company, which is organized into three divisions: consumer lifestyle, lighting, and healthcare. The fieldwork of this research took place in Philips Finland, the Finnish country office of Philips, with approximately 200 employees. Philips Finland consists of a marketing and sales unit that operates within all three divisions as well as a research and development department. Since 2010 Philips has a new CEO - Frans van Houten – and he led the crafting of a new strategy that has been articulated through a new brand positioning and identity.

The approach of our study is qualitative and the analysis is informed by the interpretivist paradigm. We have developed an exploratory case study (Yin 2009, Piekkari & Welch 2011) and the process of research evolved along an interplay between the empirical material and the existing theory (Alvesson & Skoldberg 2009). The empirical material results from an ethnographic inspired process of research that lasted over ten months and includes notes from non-

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participant observation procedures, copies of documents and the transcript of one interview with Lina Faye, the senior brand and internal communications manager from Philips Nordic, that served to complement the naturalistic materials that were privileged in our process of data collection.

We regard Philips as a revelatory case (Yin, 2009) and its choice was due to the following reasons: (1) The case provides fertile ground to address visual material artifacts in the setting of practice of strategy because Philips has recently undergone a strategic change where visuals were widely used to articulate it to internal stakeholders; (2) We gained full access to Philips Finland and, pursuing the goal of our study, were able to follow the process of implementing the new strategy in its entirety, from the standpoint of this foreign subsidiary. Companies operating in an international scale are particularly interesting cases to address processes of strategy implementation, due to the fact that their operations unfold in several countries, with different contexts.

4 FINDINGS

Philips mission is to improve people's lives and the new corporate strategy emphasizes a clear orientation towards a more human-centered approach. The tagline 'innovation and you' emphasizes a clear orientation towards solutions that matter to people. The new identity of the corporate brand includes the redesigned Philips shield, a globally known visual icon first used in 1934. Lina Faye, a senior brand and internal communications manager, considers that a new strategy was needed to address the changes in the company business in recent years: "Philips has changed a lot in the last 10 years. When I started 7 years ago we were mainly business-to-consumer company. Consumer lifestyle - one of our three sectors - was the biggest one... (...) but if we look at what Philips is today, we are B2B heavy company. Two thirds of the company is business to business. (...) we have changed from mainly B2C to heavily B2B company and that meant that the old brand positioning was not relevant anymore... (...) So now, we have a brand positioning that is relevant for all three sectors and that we can work in the same direction through the same umbrella."

The new positioning of the corporate brand is intended to drive Philips into a more agile and entrepreneurial leading technology company. The launching process of the new brand positioning and identity has privileged the internal organizational audiences and their understanding and engagement with the new strategy was devised as central in this process. The first organizational activity pertaining the implementation of the new strategy happened in May 2013, six months before the actual launch would happen. Philips launched an "All Employee Brand Jam", which was a call for action for Philips employees to tell their stories about "how Philips delivers innovation that matters to you". The launch of this initiative was communicated in two phases. First, an email was sent from a functional account as a teaser that there will be more info coming soon about the brand jam (figure 1). On the day of the brand jam, Philips CEO sent an email with links to the brand jam website. At the end of the email there was a visual attached with pictures that seemingly tell the stories of different people (figure 2, below)

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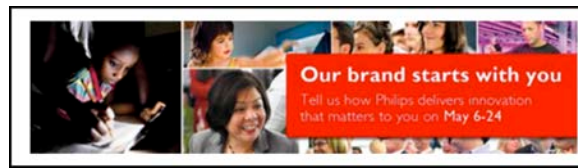


Figure 1 – Visual elements in an email header



Figure 2 – Visual elements below the email signature

The brand jam was a three-week activity during which every employee could upload their personal stories to the Philips internal social network in either text or video format. These stories could then be accessed via this platform by all Philips employees. At the end of October 2013 it was made official that the new brand would be launched on November 13th. The day after the official brand launch, Philips employees received an email with links to brand guidelines and other materials that described the new brand position and provided employees with various marketing and training materials. At the same time, the website innovationandyou.philips.com (figure 3, below) was launched, explaining many of Philips' product solutions by the means of storytelling. Each Philips innovation is told by a personal story, highlighting how a particular innovation 'matters to you'. The website uses a different layout and navigation than the main Philips website but some graphics like the rounded curve used in the white background behind the Philips letters are the same.

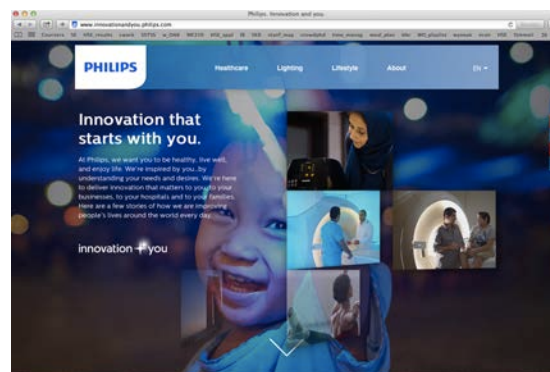


Figure 3 – The new content of a Philips website

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Another email with links followed during April 2014, making employees aware of the new graphics, templates, and marketing materials. April was also the month when the senior brand and internal communications manager visited the Finnish office for introducing the new positioning in person. In a session that brought together internal stakeholders from all areas of Philips Finland, there was a powerpoint presentation – with an intensive use of images from the new identity - which purpose was to explain the new strategy of the company. This session was named as a training pertaining the brand repositioning and similar events where held all over the world, as Lina Faye explained us: “all of the Philips employees worldwide are getting this training session. Then, we also have specialized trainings for marketing and communication. Actually, we started in January and February for customer facing employees (...) so that they first got this information. And then now we roll out to everybody and next step for me, on a local level, is the brand identity – to go through the whole brand guideline.” The new identity can be analyzed in the figure 4.



Figure 4 – Poster with the new Philips identity

5 DISCUSSION

In the recent re-positioning of Philips there are two essential aspects about the dissemination of strategic intent to foreign offices. The first one is the use of the corporate brand to articulate the strategy. The brand becomes the hub around and through which the business strategy is translated, legitimized and communicated. This reinforces recent works on the importance of branding to the internal dimension of organizations (e.g. Kärreman & Rylander 2008, Kornenberger 2010). The second aspect that emerged in our case study is the importance of visual materials to articulate the strategic intent devised central by the management of the corporation. It was mainly through the use of visual materials that the new strategy was articulated from the headquarters to all other divisions of Philips and in these materials. Although verbal text was present, it was mainly the visual aspects – images and graphic elements – that stood out in terms of conveying the strategic intent.

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Philips new brand identity, using highly charged emotional pictures and graphic elements (like the shield and the connection to Philips heritage that this symbol represents) emphasizes the key strategic highlights devised as critical by the company management. Thus, graphic design outcomes have been playing a crucial part in the internal communication efforts of the new brand positioning and new strategy of Philips. Our study supports Höllerer (2013) suggestion that images and other visual artifacts should be used to communicate novel ideas to broad audiences. Also, and as discussed, visual materials present themselves to the viewer in a much greater immediacy than verbal text does (e.g. Raab 2008).

Graphic design outcomes are visuals that are open and flexible enough to be interpreted in the different international offices of the corporation, allowing interpretation and engagement in different ways by different stakeholders. Graphic design outcomes become the materialization of the multinational strategic intent – a form of tangible strategy that can be interpreted, engaged with and built upon. Through visual artifacts internal stakeholders can make sense of the company strategy. In this way, visual artifacts are not simply mediums or tools that translate the strategy of the company in the end of a process of communication. These are open to be interpreted and become constitutive elements of the strategy itself and not just the free-floating devices that impose some sort of common understanding.

6 CONCLUSIONS AND FUTURE RESEARCH

Our research sheds light on the importance of visual artifacts in the articulation of strategy in organizations. In particular, our case study shows how graphic design can be regarded as a key organizational element because it can assume a central role in the engagement of internal stakeholders. Design can translate strategic values and ideas in an immediate way, available to be easily interpreted even in different international settings. Graphic design and the visuals that result as outcomes of this activity can be regarded as co-constitutive of the business strategy and this is a matter that deserves further research.

Our study has highlighted the importance of acknowledging visual materials in strategy research. Our case study also unveils avenues with potential to be further explored, such as the role of heritage for organizations and its interplay with design and materiality; the power of the visual dimension of a brand to internally sustain and legitimize different managerial options; and the need to explore in-depth design and design management practices with a sociomaterial approach.

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