Global corporate visual identity systems

Standardization, control and benefits

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Introduction

A multinational company's personality and identity will become the biggest factor in consumer choice between its products and those of another (Eales, 1990). The pressures of a free, competitive marketplace coupled with extremely rapid technological development, have generated a situation where customers "buy" the company that makes the product: its character, its size, its identity and the confidence it inspires. At the centre of a business's projected image is its corporate visual identity system (CVIS) with its five elements: name, symbol and/or logotype, typography, colour and slogan (Dowling, 1994; Olins, 1986).

CVISs are promoted as an aid to selling companies to their customers and other stakeholders globally. Despite being championed by designers and adopted by many leading businesses, there is little evidence to back the proposed benefits of CVIS globalization and its implementation requirements. Globalization is one of the key catalysts of corporate identity programmes (Ind, 1992). Changing businesses, geographical emphasis and marketplaces all have become incentives for companies to change their corporate identities. As companies begin to operate on an international basis, the image that they acquired as national producers often becomes inappropriate (Mills, 1988).

Some companies opt for a unified global brand in spite of the negative reactions of governments or consumers. The degree of adaptation of the identity to the host country's culture depends upon the strength of that culture and whether competitive advantage is derived primarily from co-ordinating activities centrally or by devolving activities to operational markets. However, if the company has a true global orientation it will generally need to convey consistent values wherever it competes. Thus, the worldwide image that emerges is more likely to be notable for its homogeneity than not. While there are reasons for closer integration of the visible manifestations of a multinational, they need relating to the market and product range (Pilditch,

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1970). International organizations face the incessant conflict between the local area and the international headquarters in attempting to arrive at a consistent impression.

A key component of a corporate identity is the corporate structure (Chajet, 1989; Olins, 1986; Strong, 1990). In reality there are two structures (Ind, 1992). There is the organizational structure with its lines of communication and reporting responsibilities. Then there is the visual structure, which concerns itself with the branding of the products, business units and the corporate umbrella and how they appear to an organization's audience (Gray and Smeltzer, 1985). The fundamental concern with the organizational structure is the degree of centralization and decentralization. A decentralized structure creates companies in each country with their own distinctive identities. The pull towards the centre comes primarily from financial accountability. As a demonstration of this there is no central control over the use of logos in any markets. In direct contrast to this type of highly decentralized structure, there are companies who operate highly centralized structures which deny local autonomy and control all key functions at the centre. The identity in this instance will be strongly similar in both the parent and the subsidiary.

The paper empirically examines the implementation and control of global CVIS. In particular, we investigate the benefits sought from global CVIS standardization, senior management involvement, the degree of headquarters' control of CVIS, and how headquarters' and subsidiaries' views of CVIS standardization differ.

CVIS standardization

The wider literature on globalization partly compensates for the lack of theoretical work on CVIS standardization. Literature on corporate strategy, multinational strategic planning and the international marketing mix element was reviewed. These sources provided some important guidelines, although the majority the work in the area is anecdotal rather than empirical.

Benefits of CVIS standardization

Buzzell (1968) and Hovell and Walters (1972) argue that standardization of international marketing helps companies achieve a consistent image that is a powerful means of increasing sales. Others take a less ambitious view. Peebles *et al.* (1977), on advertising, and Sorenson and Wiechmann (1975), on marketing practices, concluded that standardization makes consumers familiar with the company and its products and services, and helps establish a uniform corporate image. Through its corporate identity, of which CVIS is a core component, customers and prospects recognise the company (Smith, 1990) and become aware of the organization's business capabilities, management strengths, product and service diversity and competitive distinction (Downey, 1986).

This moderate expectation is close to what most marketers would claim for a corporate image in isolation of broader marketing activities. The global corporate identity programme of TRW doubled the awareness and recognition of TRW among the target audience (Hartigan, 1987). With this recognition came the customer's perception of TRW as a high quality manufacturer, a good investment, a good corporate citizen, a reliable supplier and increased receptivity of the local inhabitants toward the company's facilities. However, TRW did not anticipate their global corporate identity programme having a direct influence on sales.

In contrast, Lippincott and Margulies' (1988) survey suggests that some managers do have high expectations of corporate identity programmes. They found that a favourable effect on familiarity was most expected – by 50 percent of their respondents – though nearly as many expected sales, advertising awareness, general consumer goodwill and market share returns. A few managers even expected the impact of corporate image filtering through to investment ratings and the value of the company stock. Olins (1990) suggests that corporate identity programmes help the recruitment of high calibre staff and raises morale generally; a view supported empirically by Belt and Paolillo (1982). Gray and Smeltzer (1987) link both the personnel and marketing benefits or corporate image of financial performance. They argue that corporate identity programmes make recruiting easier, enhancing morale and lower labour turnover, correlates with strong sales and can be instrumental in achieving a high price/earnings ratio.

Measuring communications effects is one of the least tractable problems facing management. Advertisers rarely have the courage to predict market share gains or improved financial performance from campaigns. Yet in the more diffuse domain of corporate image, of which the CVIS is a part, claims extend well beyond the directly measurable effects on awareness and attitude. Are these ambitious claims shared by managers or are they the exaggerations made by those with wares to sell?

Headquarters control and CVIS standardization

Whether they are excessive or not, the benefits claimed for the global standardization and corporate image are based on their favourable influence on customers, employees and the money market. However, much of the literature on the global standardization of CVIS and other elements of the communications mix relate them to corporate structure, not external returns. Do CVIS standardization and centralization go hand in hand?

Wiechmann's (1974) study of the integration of multinational marketing activities found that for 17 out of 20 firms sampled, standardization did mean centralization. These firms saw globally standardized international brand names as an important source of competitive strength and tried to integrate marketing world-wide to the creation of a uniform company and product image. For advertising in Western Europe, Roostal (1963) hypothesised that an international marketer with a centralized organization can more easily carry through standardization than an international marketer with a decentralized organization. The greater the centralization of authority for setting policies and allocating resources, the more effective the implementation of a standardized strategy (Jain, 1989). These studies suggest that global standardization and centralization are related but that the centralization flows from the needs of globalization.

Other evidence suggests that globalization flows from standardization. Companies with centralized operations tended to agree more on the applicability of standardized advertising (Onkvisit and Shaw, 1985) and the higher the headquarters' control, the greater the likelihood of standardization (Kirpalani *et al.*, 1988). Standardized marketing communication programmes complemented the procedures adopted by headquarters to maintain a tight rein over subsidiary decisions (Brandt and Hulbert, 1977). Standardized strategy tends to facilitate or result in centralization in the planning and organization of international activities whereas emphasis on local management autonomy stems from the advantages traditionally associated with decentralization and a concern with encouraging local entrepreneurship (Douglas and Wind, 1987).

Independent of global standardization, the serious consideration of CVIS itself leads to centralization. According to Pilditch (1970), corporate identity programmes cannot be handled in a fully delegated and democratic way. Someone must decide an approach and then impose strict central control. Furthermore, corporate identity is a means of establishing the unity and standardized approach. Subsidiaries in highly decentralized structures are likely to have identities of their own (Ind, 1992). On the other hand, in the companies which operate with a highly centralized structure, which deny local autonomy and control all key functions at the centre, the identity will be strongly similar in both the parent and the subsidiary.

Standardization of corporate identity does not necessarily mean rigid control of overseas subsidiaries. Gorb (1980) argues that in striving for maximum flexibility and creativity, corporate identity guidelines should be centrally administered. This occurs because corporate identity is an important asset that needs running by an authoritarian force within the company. The degree of centralization of control influences the degree of standardization of corporate visual identity of a multinational corporation (Topalian, 1984). One of the organizational factors in globalization as explained by Yip (1988) is centralization of global authority.

Whether the flow is from centralization to global standardization or vice versa, observers suggest they are linked. Since the consideration of corporate image itself leads to tight control, CVIS standardization and centralized control are likely to be even more closely allied. Is this the case? Does a globally standardized CVIS reflect centralization generally?

Chief executive involvement

Not only does the adoption of CVIS lead to centralization but, according to Baker and Balmer (1997), it is the prime responsibility of the chief executive officer to define and communicate the company's identity. Devising a well-managed corporate identity programme requires the involvement and support of the company's chief executive officer (Margulies, 1977) and its success depends upon the supervision of a staff officer or a specially appointed corporate identity manager.

Lippincott and Margulies (1988) found that more than half of the companies interviewed said that the chief executive officer was greatly involved in the implementation of their corporate identity programmes. The research added that senior managers are generally important participants in the development and implementation of corporate identity programmes but the chief executive officers often play key roles.

Implementing corporate image programmes should not be left to chance, given the importance of corporate image to competitive success (Gray and Smeltzer, 1987). The chief executive officer and senior executives need to know how to plan for and communicate an effective corporate image programme. According to Olins (1990), the two natural points of contact between the client organization and its corporate identity consultants are the chief executive officer and a senior manager with the chief executive officer as the final arbiter and the ultimate owner of the identity.

The implementation of many business activities are said to depend upon the support of the chief executive so it is to be expected that the intrinsically conspicuous CVIS is no different. However, consistency of this call for chief executive involvement and the scope of implementing a globally standardized CVIS suggest that the chief executive will be involved. Chief executive involvement in CVIS decisions will also encourage standardization since it is unlikely that any one person would have the time or inclination to orchestrate anything other than a global CVIS. Does this convergence exist? Does the globalization of CVIS depend upon chief executive involvement?

Subsidiary views of CVIS standardization

The benefits of CVIS standardization and the pressures towards its centralized control suggest that local needs will be ignored. Themes imposed by corporate headquarters leave management thinking local issues have been neglected with the resultant lack of autonomy having a deleterious effect on their morale and motivation. Overseas executives believed that key promotional programmes should be developed locally because “standardized strategy won’t work here – things are different” (Douglas and Wind, 1987). Such concerns are shared by many. Organization conflicts may arise between headquarters and subsidiaries because of their different points of view (Das, 1981; Nowakoski, 1982; Reynolds, 1987).

The position of the CVIS within the communications mix makes it a component of marketing, a poly-centric function that is deeply affected by local factors (Jain, 1989) that is often delegated to foreign subsidiaries (D’Antin, 1971; Doz, 1988). Since marketing decisions are often decentralized in favour of host country managers (Aylmer, 1970), there is a likelihood of conflict between the globalization of CVIS and perceived local market needs.

In their survey of headquarters control of advertising, Kirpalani *et al.* (1988) found that over 35 percent of the firms allow their subsidiaries and affiliates flexibility in adapting the campaign to local conditions, while 21 percent allow for translation and idiomatic changes only, and 25 percent allow local development of their own advertising. Headquarters management has a significantly higher level of participation in establishing objectives and establishing the budget for international advertising than in home markets (Wills and Ryans, 1977). However, headquarters management tends to be less involved in the creative strategy and media decisions. Most of these decisions relied on local management and agency people.

Multinational managers must realise that local managers are likely to resist any precipitate move toward increased headquarters direction (Quelch and Hoff, 1986). Brandt and Hulbert (1977) concluded that control and integration of subsidiary activities present formidable problems for multinational firms. In many firms the marketing decisions rest with the subsidiary managers with little or no help from the head office. Other companies maintain a tight rein on overseas marketing by developing controls and standardized programmes which are implemented around the world (Harris, 1984).

Although headquarters expect benefits to flow from CVIS standardization, its implementation is intrinsically headquarters and chief executive oriented, so neglectful of local needs. It is therefore likely that local mangers do not see the same benefits of CVIS standardization as do headquarters. This disquiet among locals is often suggested, but does it exist? Are the benefits from global CVIS standardization so strong that local managers agree with their headquarters on its value?

Hypotheses

The dilemma facing MNCs over the standardization or local adaptation of their CVIS is between one set of centripetal forces for control, centralization, and simplicity that favour the standardization of CVIS. In the opposite direction are centrifugal forces of local culture, markets and languages that favour CVIS varying from country to country (see Figure 1).

All aspects of international marketing face the counteracting centripetal and centrifugal forces. However, there are moderating forces that vary across product-markets and the marketing mix. These constitute the benefits sought from a strategy. A MNC may prefer standardization of the communications mix but its implementation is moderated by the achievable returns. For instance, although multinational sales promotions are potentially inexpensive to produce, the moderating influence of consumer responses and legislation limits the benefits from such programmes. In contrast, for CVIS, the literature suggests that standardization will beneficially influence several groups of stakeholders, so encouraging the centripetal forces for standardization. Hypotheses 1 to 9 express this centripetal bias.

H1: CVIS standardization has a favourable impact on sales.

H2: CVIS standardization has a favourable impact on consumer goodwill.

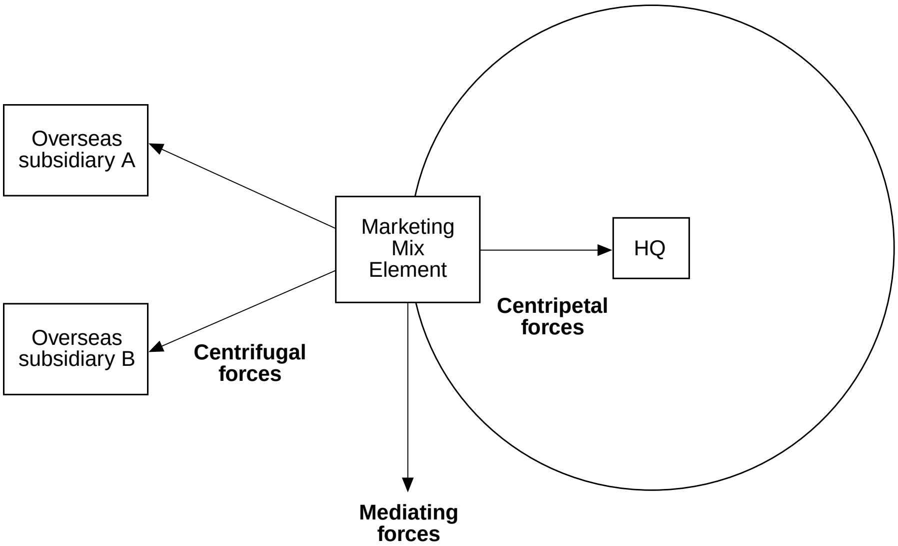

Figure 1.
Centripetal, centrifugal and mediating forces

H3: CVIS standardization has a favourable impact on consumer's familiarity with the company and its products/services.

H4: CVIS standardization has a favourable impact on consumer's advertising awareness.

H5: CVIS standardization has a favourable impact on market share.

H6: CVIS standardization has a favourable impact on executive recruitment.

H7: CVIS standardization has a favourable impact on the receptivity of the local inhabitants toward the company's facilities in the area.

H8: CVIS standardization has a favourable impact on value of shares.

H9: CVIS standardization has a favourable impact on investment rating.

Headquarters control and implementation are major centripetal forces associated with CVIS standardization. Centralization and global standardization are generally related but the nature of CVIS suggest a particularly strong link between the two. The mere consideration of corporate image itself leads to tight control, so CVIS standardization and centralized control are likely to be particularly closely allied. In addition, the consistent call for chief executive involvement in implementing globally standardized CVIS suggests strong chief executive input where standardized CVIS exist. Hypotheses 10 to 12 examine these centripetal forces.

H10: The higher the degree of headquarters control, the greater the degree of CVIS standardization: name (*H10*a), symbol and/or logotype (*H10*b), typography (*H10c*), colour (*H10d*) and slogan (*H10*e).

H11: The chief executive is the key internal driving force in initiating a high degree of global CVIS standardization.

H12: High chief executive involvement in the CVIS development is more likely where there is a high degree of global CVIS standardization.

Although chief executive involvement, headquarters control and the benefits expected from global CVIS standardization reinforce a centripetal tendency, local managers will be concerned about the centrifugal force of local market needs. For this reason headquarters and local managers will view global CVIS standardization differently. Hypothesis 13 examines this tension.

H13: There is a significant difference in the opinions given by the headquarters and the subsidiary executives concerning the degree of importance to standardize CVIS: company name (*H13a*), symbol and/or logotype (*H13b*), typography (*H13c*), colour (*H13d*) and slogan *(H13e)*.

Methodology

The hypotheses were tested by interviewing a sample of British MNCs with Malaysian subsidiaries. Malaysia was chosen because of the large number of British companies with subsidiaries there and the cultural diversity of the country: about 50 percent Muslim Malays, 40 percent Chinese of various dialects, and religions, a well-established Indian community, and a small number of indigenous people such as the Dayaks and Kadazan. The national language is Malay. Since Malaysia is part of the British Commonwealth, many British companies have been there for decades although the economy's rapid growth has attracted many new ones. Malaysia is also particularly interesting because it is one of the Asian tigers with an economy growing at 8 percent per annum.

A sample frame of 111 British MNCs operating in Malaysia came from Dun and Bradstreet's *Who Owns Whom 1991*. The 111 companies were grouped according to their primary business and a proportionate stratified sample of 40 randomly selected: 19 industrial, nine consumer goods, and 12 service companies (see Table I). Sampling this way is more efficient than simple random sampling where among-strata differences are greater than within

Table I.
Companies participating in the survey

Industrial	BICC, Blue Circle Industries, British Aerospace, British Petroleum, BTR, General Electric, GKN, Hickson International, High Point, Imperial Chemical Industries, Laing, Laporte, Lucas Industries, Redland, Renold, Tarmac, Taylor Woodrow, Tilbury Douglas, Wimpey
Services	Barclays Bank, British Airways, British Gas, British Telecommunications, Forte, Guardian Royal Exchange, PA Consulting Group, Royal Insurance, Standard Chartered, Sun Alliance Group, Willis Corroon, WPP
Consumer goods	BAT, Courts (Furnishers), Glaxo Holdings, Gestetner, London International Group, Pearson, Shell, SmithKline Beecham, Wellcome

stratum differences (Green *et al.*, 1988). Where among-strata differences are small the efficiencies of stratified and simple random sampling converge (Cochran, 1965). Although their familiarity and their size suggested that the sample were MNCs, telephone contact with the firms confirmed that they were multinationals with more than ten major overseas subsidiaries, including Malaysia.

The interviewees were the senior persons responsible for CVIS at the headquarters and subsidiary (Table II). The importance given to CVIS is reflected in the seniority of the respondents in the HQ sample where 80 percent were main board members. In the subsidiaries the CVIS was usually the responsibility of the national and regional chief executive or their immediate subordinate. Both groups stated that the attention given to CVIS have increased over the past five years.

Position	HQ	Subsidiary
Chief executive/president	3	12
Regional director/vice president	0	2
Other executive director/vice president	29	0
Senior manager	4	14
Corporate identity manager/co-ordinator	4	2
Total	40	30

Table II. Executives participating in the survey

The sample is small but consistent with similar semi-structured studies of companies (Baker *et al.*, 1988; Buckley *et al.*, 1988; Doyle *et al.*, 1986; Johne and Snelson, 1989). In these cases the large sample obtainable by mail survey is traded for the quality of personal interviews where more information can be gathered, the quality of respondents controlled and non-response bias minimised. These small samples have some drawbacks. Lack of degrees of freedom prevents the valid use of some multivariate techniques and sample differences have to be large to be statistically significant. However, the hypotheses' tests use simple cross tabulations that have been successful in recovering meaningful results in similar studies. Moreover, small numbers do not make a sample non-representative, particularly when they represent much of the population (Saunders, 1994).

The questionnaire was mainly structured but had some open-ended questions at the end. The questionnaire was self-administered by headquarters' respondents with the researcher present and the results cross checked using a questionnaire mailed to Malaysian subsidiaries. The open questions allowed respondents to further explain their answers. The closed questions used multi-item, 11-point rating scales. The 11-point rating scale use was consistent with measuring the percentage change in CVIS: 0 corresponding to completely different, and 10 corresponding to exactly the same. The dependent construct, the degree of standardization of CVIS, was measured by averaging the scores of each element of CVIS; name, symbol and/or logotype, typography, colour and slogan.

The process of measurement or operationalisation involves "rules for assigning numbers to objects to represent quantities of attributes" (Nunnally, 1967). The validity and reliability of measures used to do this are critical (Bearden *et al.*, 1989; Lichtenstein *et al.*, 1990; Samiee and Roth, 1992). In this case we used the scale development procedure recommended by Churchill (1979). We refined the scales using a three stage process with Business Schools with operations in Malaysia, local businesses with overseas operations, and finally the stratified sample. The measures used appear in Table III that shows all the Cronbach's alpha for multiple-item measures to be within acceptable limits.

Variables	Measure	Cronbach alpha
Perceived impact of CVIS	A 27-item measure	0.9217
Headquarters control	A 15-item measure	0.7134
Management involvement	A 12-item measure	0.9655

Table III.
Multi-item measures

Findings

Benefits of CVIS standardization

The firms with highly standardized global CVIS saw themselves reaping more, but not uniformly more, reward from their CVIS than did those with low CVIS standardization. All customer based measures are significantly higher with highly standardized CVIS than those without: favourable impact on sales (86 percent for those with highly standardized CVIS versus 43 percent for those without), favourable impact on consumers (92 percent versus 43 percent), advertising awareness (89 percent versus 50 percent) and market share (73 percent versus 52 percent). These results lend support to hypotheses *H1, H2, H3, H4* and *H5* respectively. The firms with high CVIS standardization also see a significant impact upon executive recruitment (*H6*: 79 percent versus 50 percent) and the local community (*H7*: 86 percent versus 50 percent) (see Table IV).

The corporate communications executive of a consumer non-durable goods company emphasised:

> … again one of the things I've said specifically in Malaysia, the Kulim and Penang area of Malaysia, I think our corporate identity has had a strong impact in the region. I've been here for over 10 years, I understand we do have a good working relationship with the local community and the local and central Malaysian government. Our corporate identity has also helped us in attracting and recruiting brighter and better candidates for our executive positions. We have obtained positive feedback, acceptance and recognition amongst our shareholders, suppliers, employees and the market.

Table IV. Benefits of CVIS standardization

Hypotheses	Variables	Significance level	Result
H1	Sales	$\chi^2 = 5.33,\ p = 0.01$	Supported
H2	Consumer goodwill	$\chi^2 = 2.51,\ p = 0.05$	Supported
H3	Consumer's familiarity	$\chi^2 = 4.72,\ p = 0.02$	Supported
H4	Advertising awareness	$\chi^2 = 4.17,\ p = 0.02$	Supported
H5	Market share	$\chi^2 = 1.99,\ p = 0.07$	Supported
H6	Executive recruitment	$\chi^2 = 2.26,\ p = 0.06$	Supported
H7	Receptivity of locals	$\chi^2 = 3.97,\ p = 0.02$	Supported
H8	Value of shares	$\chi^2 = 0.00,\ p = 0.95$	Not supported
H9	Investment rating	$\chi^2 = 0.00,\ p = 1.00$	Not supported

Note: Yates' correction is used to adjust for small sample cell size

In contrast, companies do not see the favourable impact of standardized CVIS on these stakeholders feeding through to financial markets (*H8* or *H9*). However one corporate marketing executive of a consultancy-based company did see some financial return:

> We have experienced a fairly strong (favourable) visual impact. Being a public company, the shareholders, city analysts, bankers, employees and the customers have conveyed to us that our new CVIS have put us in the forefront in our industry.

Headquarters control and CVIS standardization

Each of the hypotheses linking CVIS standardization with headquarters control are supported. All the companies that adopt a high degree of corporate name also have a high degree of control from head office in the UK. One communication executive of a leading industrial-based company stated:

> … in all of these, I think very strict views that corporate identity should be tightly controlled centrally. I think you need an international culture in multinational companies now, therefore you need an internationally recognised identity. It (corporate visual identity) is controlled by our internal corporate communications department which I manage. Most of what goes out in terms of literature and so on is approved by either me or by one of my colleagues.

In contrast, among the companies that implement a low degree of name standardization between the UK and Malaysia, only 47 percent had a high degree of control (*H10a*). Similarly, the hypotheses associating headquarters control to the standardization of symbol and/or logotype (*H10b*), typography (*H10c*), colour (*H10d*) and slogan (*H10e*) are supported. A total of 100 percent of companies with a high degree of symbol and/or logotype standardization had a high degree of control from head office with the corresponding figures for typography, colour and slogan being 96, 93 and 86 percent respectively. The corresponding figures for companies with low CVIS standardization are all significantly lower: 36 percent of those with low standardization symbol and/or logotype had a high degree of control from head office, 23 percent for typology, 36 percent for colour and 17 percent for slogan.

Chief executive involvement

In 62 percent of the companies that implement a high degree of CVIS standardization the chairman and/or the chief executive officer is the key internal driving force behind the development of the CVIS. 38 percent of these companies state that "others" namely, the senior management, and marketing, sales or communication executives are the key internal driving forces behind the development of CVIS. In contrast, among the companies with a low degree of CVIS standardization, 86 percent state that "others" are the key internal driving force behind the development of CVIS. This supports *H11*: the chief executive is the key internal driving force in initiating a high degree of global CVIS standardization (see Table V).

Hypothesis *H11*, linking high chief executive involvement with a high degree of global CVIS standardization, is similarly well supported. In 81 percent of the companies that adopt a high degree of CVIS standardization, the chief executive officer has been highly involved in CVIS development. The advertising executive of a petroleum company emphasises that the chairman is the force in their CVIS decisions:

> The key internal driving force and the ultimate control of our CVIS decisions is our chairman. There is a specific message from the chairman explaining why he regards a standardized CVIS as very important.

For the multinational corporations that implement a low degree of CVIS standardization, 64 percent state that the chief executive officer has a low degree of involvement and 36 percent state that the chief executive officer has a high degree of involvement in the development of CVIS.

Subsidiary views of CVIS standardization

Unexpectedly managers in the Malaysian subsidiaries had similar views on the importance of CVIS standardization to their counterparts at headquarters. In the headquarters 72 percent felt it important to standardize name, 75 percent

Hypotheses	Variables	Significance level	Result
Headquarters control			
H10a	Corporate name	$\chi^2 = 13.50$, $p = 0.00$	Supported
H10b	Symbol/logotype	$\chi^2 = 17.61$, $p = 0.00$	Supported
H10c	Typography	$\chi^2 = 19.39$, $p = 0.00$	Supported
H10d	Colour	$\chi^2 = 11.19$, $p = 0.00$	Supported
H10e	Slogan	$\chi^2 = 6.05$, $p = 0.01$	Supported
Management involvement			
H11	Chief executive driving force	$\chi^2 = 6.41$, $p = 0.01$	Supported
H12	Chief executive involvement	$\chi^2 = 6.26$, $p = 0.01$	Supported

Note: Yates' correction is used to adjust for small sample cell size

Table V.
Control and chief executive involvement in CVIS

symbol/logo, 63 percent typeface, 70 percent colour and 70 percent slogan. The corresponding figures for Malaysian subsidiaries being 80, 81, 63, 75 and 63 percent respectively. The differences between these percentages is not significant so none of hypotheses *H13a* to *H13e* are supported but it is noticeable that for name, symbol and typeface, the Malaysians are more in favour of standards being imposed on them than the headquarters are on imposing them (see Table VI).

Hypotheses	Variables	Significance level	Result
H13a	Corporate name	$\chi^2 = 0.10$, $p = 0.75$	Not supported
H13b	Symbol/logotype	$\chi^2 = 0.30$, $p = 0.51$	Not supported
H13c	Typography	$\chi^2 = 0.00$, $p = 1.00$	Not supported
H13d	Colour	$\chi^2 = 0.01$, $p = 0.91$	Not supported
H13e	Slogan	$\chi^2 = 0.00$, $p = 1.00$	Not supported

Note: Yates' correction is used to adjust for small sample cell size

Table VI.
Headquarters and local's views compared

Discussion

The perceived benefits of global CVIS standardization are wide: the perceived impact on sales, ability to recruit executives, general consumer goodwill towards the company, consumers' familiarity with the company and products, consumers' advertising awareness, receptivity of the local inhabitants toward the company's facilities and market share. However, there was no perceived benefit to value of shares or investment rating.

Companies that implement a high degree of CVIS standardization benefit in several ways. Buzzell (1968) and Hovell and Walters (1972) stated that the standardization of marketing presentations is a powerful means of increasing sales. This study suggests that this is also true of CVIS. The findings also supported the proposals by Sorenson and Wiechmann (1975), Peebles *et al.* (1977) and Lippincott and Margulies (1988) of CVIS standardization enhancing consumers' goodwill and familiarity towards the company, consumers' awareness of the company's advertising and consumers' receptivity towards the company and its products.

Belt and Paolillo (1982), Gray and Smeltzer (1985, 1987) and Olins (1990) suggested that corporate identity can help companies recruit high calibre executives. This study supports that view and extends the findings suggesting that benefits flow to the MNCs who standardize their CVIS. In contrast the results show no relationship between CVIS standardization and financial measures. This suggests that while consumers and potential employees are influenced by the strong and consistent visual presentation of a company, financial institutions personnel are not that well-trained to link CVIS to marketing and business performance.

The global CVIS standardization is not an independent decision but reflects the centralized control of the businesses and top management involvement in CVIS. The relationship between the chief executive and/or chairman and standardization of CVIS reveals two outcomes. First, the chief executive is normally the key internal driving force in initiating a high degree of CVIS standardization. Second, the chief executive who is highly involved in the CVIS development is more likely to be associated with a high degree of CVIS standardization. This suggests that many chief executives who initiate and who are active in the development and implementation of the CVIS perceived that the high standardization strategy exhibits the size, power and strength of the corporation in the light of the global competitive arena.

Surprisingly, headquarters and the subsidiary executives had similar views on CVIS standardization. Although the differences between the samples of headquarters and subsidiary executives are not statistically significant, in most cases the subsidiary's managers favour having to follow a standardized CVIS more than the headquarters like imposing one! This enthusiastic acquiescence to headquarters control could be a manifestation of what Singapore's Lee Kuan Yew and Malaysia's Mahathir Mohammed call the "eastern way" where people happily forego independence to follow the guidance of successful leaders. Maybe the previous literature in this area reflects how Americans or Europeans think they would feel about outsiders imposing standards upon them. Would the results be different if the sample was of American subsidiaries of European companies?

Another explanation of subsidiary executive acceptance of CVIS standardization could be the indoctrination of the multinationals' overseas staff after decades of contact. An international culture permeates multinational corporations where importance is attached to what the head office thinks. Alternatively Anglicisation could have occurred after years of colonial and commercial occupation by Britain. The one exception to locals' willingness to conform is the slogan which, because of language, is less easily transferred than a colour or logo. Nevertheless, these finding suggests that subsidiaries are more willing to accept standardized communication than expected.

Implications

These results have several implications for managers. They provides evidence that MNCs that have implemented expensive global CVIS can expect direct returns from the response of customers, employees and the general population. This is particularly important since the rate of technological change means that consumers are increasingly relying upon the reputation, communicated by a firm's CVIS, to guide their purchase decisions. The globalization of all parts of the communications mix face the tension between the centrifugal forces for localisation and the centripetal for standardization. For many marketing communications, legal and consumer differences limit the opportunity to benefit from global standardization. The CVIS is an exception. Its standardization produces benefits, local managers favour its application and its nature lends itself to centralization and control. This has implications for the whole communications mix since it suggests an advantage of global campaigns based on corporate reputations over local product based promotions.

There are subsidiary benefits of these findings. The cost of launching and maintaining brands is now prohibitive even to the largest of companies. When the support has to be stretched across many countries with different advertising needs and regulations, the situation becomes even less tractable. Campaigns aimed at promoting the company, using its CVIS, helps stretch budgets across both products and countries. The approach can also help promote products to wealthy and internationally mobile customers who regularly cross boundaries where the rest of the marketing mix has to change.

For managers, the benefits from CVIS standardization are fortunate since it appears that global CVIS standardization is almost an inevitable result of top managers taking an interest in the issue. The link between CVIS standardization is not one of just correlation but is a consequence of CVIS needing to be centrally controlled. The very complexity of MNCs means that if control is to be exerted that will very likely lead to a simple, standardized CVIS. The need to involve the chief executive leads to the same result.

Conclusions

The degree of control of CVIS decisions in headquarters is related to the degree of CVIS standardization. The higher the degree of control of the CVIS, the higher the degree of standardization. Furthermore, the high CVIS standardization strategy is associated with the centralization of the CVIS decisions. The headquarters controls the decision regarding how the corporate name is presented, how the symbol is designed, how the typography is styled, what colours and slogan to use. Top management, especially the chief executive, are the key figures in the development of the highly standardized strategy. However, CVIS lends itself so strongly to centralization that the mere act of the chief executive and headquarters considering their CVIS could lead to it being standardized globally.

The results here show local managers more in favour of using a standardized CVIS than the headquarters enforcing it. Does this finding just apply to CVIS or even more narrowly to the CVIS of UK MNCs in Malaysia? Have ICI, Shell and Glaxo names that transcend cultural heritage?

Limitations

The pioneering nature of this research leaves it with several limitations and opportunities for further research. Two of the major limitations are to do with scope. Although the headquarters questions were asked in a global context, they were only cross validated in one country: Malaysia. Would the results hold true in other countries without such long lasting relationships with Britain? Particularly the willingness of local managers to accept standardized CVIS imposed from the centre. Is acquiescence of these locals typical of other choices between localisation and globalization? Has our concern for local sensitivities resulted in our forgetting the cross-cultural strengths of global brands?

The study is also limited to UK MNCs. Do the results hold for MNCs from other countries? The prominence of brands, such as Mercedes, Kodak and Sony, that use their CVIS to globally promote their products suggests so.

Like previous studies of global standardization, this paper lacks a strong theoretical framework and looks at one element of the corporate context in isolation. The model representing the interplay between centripetal, centrifugal and mediating forces helped in this study and its subjective application to other marketing mix elements suggests it could have broader implications. In it the tension between the headquarters and each local subsidiary are fixed across all activities while the mediating forces determine the level of adaptation to local needs. At one extreme "selling" adjusts to each customer in local markets while CVIS exists at the other extreme where the mediating forces encourage global standardization. A further study could determine if the mediating forces vary in unison or independently.

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