

The communicational value of the corporate logo Case: IBM Finland

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CASE: IBM FINLAND

Objectives of the study

The objective of this study was to identify the communicational value that corporation logos have for their internal and external audiences. Logos provide a tool for audiences to recognise and value an organisation but the main functions that global corporations' logos evoke in the observers may vary from the corporations' intended purposes. Which aspects are significant in a corporate logo design and which are the required factors in order to create powerful and one of the most recognized logos in the world? Has the corporate logo been linked to the image of the company? Once the positioning of the valuable and recognizable logo is completed, how will the future be constructed in terms of the company's graphical design? These questions were focused on when researching the case company IBM's logo image and exploring its current logo's prolonged existence.

Summary

The methods used in the study were internal interviews at IBM Finland and focus group surveys of people who had no relation to the company. In addition, analyses of IBM and two other technology corporations' logos in the same industry were used as part of methodology. These analyses were accomplished in order to outline likely existing logo design trends in the case company's logo history. The data were analyzed by Melewar and Saunder's CVI framework (2000, p.358).

Conclusions

The thesis showed that the corporate logo can provide various images for the viewers but the knowledge of the company behind the logo was not necessarily as strong. The essentiality of providing the company's products or services behind the logo, especially when internal changes in the company are occurring, is strong. Visibility for the logo is important particularly if the logo's use is to continue also in the company's future businesses. Minor changes in IBM's present logo were suggested since the meaning of the logo should support the theme of the core business, its central abiding message, instead of characterizing the product industry.

Key words

Corporate communications, corporate design, corporate image, corporate logo, Corporate Visual Identity (CVI), IBM, International Business Communications, Visibility

**LOGOJEN VIESTINNÄLLINEN ARVO KONSERNEISSA
CASE: IBM FINLAND****Tutkimuksen tavoitteet**

Tutkimuksen tavoitteena oli selvittää, minkälainen viestinnällinen arvo konsernilogoilla on sen sisäisille ja ulkoisille kohderyhmille. Logojen avulla yrityksen kohderyhmät tunnistavat yrityksen, mutta logojen herättämät mielikuvat voivat poiketa yrityksen tarkoittamasta ja suunnittelemamasta viestistä. Mitkä tekijät ovat tärkeitä konsernilogon suunnittelussa ja mitkä osa-alueet tulee ottaa huomioon tehokkaan ja mielikuvia herättävän logon suunnittelussa? Onko yrityksen logo yhteydessä mielikuvaan joka kohderyhmällä on yrityksestä? Kun logo on vakiinnuttanut paikkansa tunnistettavana yrityssymbolina, miten logojen graafista viestintää tulee muokata tulevaisuudessa? Näihin tutkimuskysymyksiin etsittiin vastauksia selvitetessä tutkimusyritys IBM:n logon herättämiä mielikuvia sen sisäisille ja ulkoisille kohderyhmille, sekä tutkittaessa IBM:n tämänhetkisen logon pitkää käyttöikä.

Tutkimusmenetelmät ja teoreettinen viitekehys

Tutkimukseen käytetyt menetelmät perustuivat sisäisiin haastatteluihin IBM:llä sekä kohderymäkyselylomakkeisiin ulkopuolisille ihmisille, joilla ei ollut lainkaan yhteyttä tutkimusyritykseen. Lisäksi tutkimuksen metodina analysoitiin IBM:n ja kahden muun teknologiayrityksen logoja ja logovaiheita. Tähän aineistoon perustuen pyrittiin selvittämään mahdolliset trendit logojen suunnittelussa sekä niiden käyttöiässä. Aineisto analysoitiin käyttäen visuaalisen yritysidentiteetin teoreettista viitekehystä (Melewar & Saunders, 2000).

Tutkimuksen tulokset ja johtopäätökset

Tutkimuksen tulokset osoittivat että yrityksen logo voi herättää kohderyhmissä useita erilaisia mielikuvia mutta tietämys itse yrityksestä logon takana ei välttämättä ole yhtä vahva. Yrityksen tuotteiden ja palveluiden esille tuominen, varsinkin kun yrityksessä tapahtuu sisäisiä muutoksia, on tärkeää. Näkyvyys on tärkeää logolle, varsinkin jos samaa logoa suunnitellaan käytettäväksi myös tulevaisuuden liiketoiminnoissa. Tutkimuskohdeyritys IBM:n logon visuaaliseen ilmeeseen ehdotettiin tehtäväksi pieniä muutoksia, sillä logon viestin tulisi viestiä ja tukea yrityksen keskitetyn liiketoiminnan teemaa.

Avainsanat

kansainvälinen yritysviestintä, imago, logo, muotoilu, näkyvyys, visuaalinen yritysidentiteetti, yritystunnus, yritysviestintä, IBM

Table of Contents

ABSTRACT

TIIVISTELMÄ

TABLE OF CONTENTS

LIST OF FIGURES

1	INTRODUCTION	1
1.1	Case company: IBM	2
1.2	Research questions	5
1.3	Definitions of key terms and concepts	6
1.4	Structure of the thesis	7
2	LITERATURE REVIEW	8
2.1	Logo as a corporate signature	9
2.1.1	Logo elements	11
2.1.2	Logo creation and the graphical design	15
2.2	Corporate logo as a part of the corporate image	18
2.3	Corporate Visual Identity	27
2.4	Theoretical framework	31
3	DATA & METHODOLOGY	35
3.1	Focus Group surveys	36
3.2	Semi-structured interviews	37
3.3	Collection of corporate logos	40
4	FINDINGS	42
4.1	Analyses of Focus Group surveys	42
4.2	Analyses of semi-structured interviews	45
4.3	Current and past logo phases of the three corporations	49
4.3.1	IBM	50
4.3.2	Xerox	55

4.3.3	Microsoft	57
5	CONCLUSIONS	61
5.1	Practical recommendations	66
5.2	Limitation of the study	66
5.3	Suggestions for further research	67
	REFERENCES	69
	APPENDICES	73

LIST OF FIGURES

- Figure 1** Brandz Top 100 Most Powerful Brands (Millward Brown Optimor, 2008)
- Figure 2** The 2008 Best Global Brands (Interbrand, 2008)
- Figure 3** The Swoosh logo of Nike (nike.com)
- Figure 4** Mollerup's separation in logo features (Pohjola 2003, p.130)
- Figure 5** Images of IBM's operational capabilities (Talentum, 2004)
- Figure 6** Corporate brand positioning framework: Definitions (Knox & Maklan, 1998)
- Figure 7** The consumer decision making process (Kotler, as cited in Pohjola 2003, p. 33)
- Figure 8** Communication and corporate identity (Melewar, Basset & Simoes, 2006)
- Figure 9** The understanding of IBM's core business: Results by age groups
- Figure 10** The International Time Recording Company (ITR) logo (1888 – 1911)
- Figure 11** The Computing Scale Company logo (1891 – 1911)
- Figure 12** Computing-Tabulating-Recording Company (CTR) logo (1911 – 1924)
- Figure 13** International Business Machines logo (1924 – 1947)
- Figure 14** IBM logo (1947 – 1956)
- Figure 15** IBM logo (1956 – 1972)
- Figure 16** IBM logo (1972 – Present)
- Figure 17** Xerox logos (1906 – 1948)
- Figure 18** Xerox logos (1949 – 1967)

Figure 19	Xerox logos (1968 – 2003)
Figure 20	Xerox logo (2004 – Present)
Figure 21	Microsoft logo (1975 – 1980)
Figure 22	Microsoft logo (1980 – 1987)
Figure 23	Microsoft logo (1987 – 1994)
Figure 24	Microsoft logo (1994 – 2002)
Figure 25	Microsoft logos (2006 – Present)

LIST OF TABLES

Table 1	Details of the interviews at IBM Finland
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LIST OF APPENDICES

Appendix 1	Internal interviews at IBM Finland: Themes
Appendix 2	Focus Group Survey about IBM's corporate logo
Appendix 3	International Business Machines Corporation's Segment Data in 2008
Appendix 4	Design samples of products and logos
Appendix 5	Focus Group survey about IBM's corporate logo – Results (in Finnish)

1 INTRODUCTION

A corporate logo serves the same purpose for a company as a signature does for an individual. It is an image or a combination of letters or signs, which have several functions for a product, service or company. As recognizable symbols, logos assist consumers to categorize the background of the objects as well as to identify products and services in purchasing intentions. Since corporate logos have been researched by various authors, especially in terms of the competitive advantage that logos might create, the focus in this thesis will be specifically in the communicational value that logo usage in external communication activities add for the companies.

Academic research into corporate logos has been in focus for the past few decades (Haase and Theios, 1996; Perfect and Heatherley, 1997). The interest in the subject has emerged, particularly with the focus on the added value that corporate logos bring to organizations' reputation. The corporate logo can add value for companies, not only because it is the only consistent element in the corporate identity-mix and it simplifies the identification of the employees with their company, but also by providing a tool for external audiences to recognise and appreciate an organisation (Maathuis, 1999). A valuable logo has the power to express and synthesize the characteristics of the company and the success guarantees considerable financial benefits.

Even though previous studies have focused on searching the connection between corporate logos and corporate images, an important question is still to be explored and answered: once the company has achieved a position with its valuable and recognizable logo, how will the future be constructed in terms of the company's graphical design? What is the existence of a corporate logo and when does it need to be reformed?

The present study explores the functions and images that a global corporation's logo has among its internal and external audiences. The case company is IBM whose logo has remained the same since 1972.

Corporate logos are frequently attached as part of a wider scheme in the literature and only in a few studies logos are handled as particular, specific characteristics. Depending of the researcher, logos are connected strongly either to marketing or communications studies. In communications literature, logos are often defined as a graphic dimension of corporate identity, more specifically as one of the dimensions of corporate visual identity (CVI), which will be presented in more detail in chapter 2 and handled as a framework for the literature part of this study.

The image of an organization behind the logo, most importantly the reputation of the organization, has a strong impact on the message that the company's logo communicates. Because the author of the present thesis has worked for IBM Finland (Marketing & Communications department) for a year and a half, the interest in this topic has emerged in order to study and examine answers for further understanding. Discovering the answers to the research questions of this Master's Thesis can widen the understanding in the case company about the value of its logo and results may be utilized in daily planning and work.

1.1 Case company: IBM

International Business Machines (from now on shortened as IBM) is one of the largest information technology companies in the world and it has possessed the leading status in the information technology industry for decades. The first steps of IBM lead to the late 1800's, where the first computing scale was patented for a company called the Computing- Tabulating- Recording Company (C-T-R). This company was to become a part of IBM, which was founded later on in 1910. The current name for the company was adopted in 1924. IBM has gone through many acquisitions during the past few years and yet the core focus has remained on IT technology; nowadays the product line of the corporation is divided into various industries and under various brands. The corporation's current supply model includes hardware, software, IT services and consultancy.

As the case company's history goes back to the 1880's, the first decades in IBM's lifecycle have included remarkable changes both in the business area and in the company's graphical visuals. The latest version of the logo, the eight-striped blue IBM sign, has followed and supported IBM's business practises since 1972. Long traditions and the corporation's global operations have influenced the IBM logo to become familiar and one of the best recognized logos in the world. According to the latest studies (Millward Brown Optimor, 2008; Interbrand, 2008), the present logo has proved to be an effective and strong symbol for IBM.

The study of Millward Brown Optimor (2008)

Millward Brown is a global market research and consultancy company, which annually explores the world's most valuable brands. The primary research of *Brandz Top 100 Most Powerful Brands Ranking 2008* is based on annual studies that Millward Brown does. The actual brand values in 2008 can be seen in Figure 1.

Brandz Top 10 Most Powerful Brands				BrandzTop 10 Technology Brands			
Rank	Brand	Brand Value (\$M)	Brand Value Change	Rank	Brand	Brand Value (\$M)	Brand Value Change
1	Google	86,057	30 %	1	Google	86,057	30 %
2	GE	71,379	15 %	2	Microsoft	70,887	29 %
3	Microsoft	70,887	29 %	3	IBM	57,225	65 %
4	Coca-Cola	58,208	17 %	4	Apple	55,206	123 %
5	China Mobile	57,225	39 %	5	Nokia	43,975	39 %
6	IBM	55,335	65 %	6	HP	29,278	17 %
7	Apple	55,206	123 %	7	Cisco	24,101	28 %
8	McDonald's	49,499	49 %	8	Oracle	22,904	29 %
9	Nokia	43,975	39 %	9	Intel	22,027	18 %
10	Marlboro	37,324	-5 %	10	SAP	21,669	20 %

Source: Millward Brown Optimor (including data from Brandz, Datamonitor and Bloomberg)

Figure 1. Brandz Top 100 Most Powerful Brands Ranking (Millward Brown Optimor, 2008)

As Figure 1 shows, in 2008 IBM was valued on the 6th place in the category the world's most powerful brands. Compared to the previous year's results (9th place in 2007) IBM's brand value change was 65 percent higher, which was the second best increase among the top ten brands. The biggest increase in the brand value change in 2008 was achieved by another technology company, Apple, with 123 percent. Overall, in the results of 2008 the global technology brands increased their value the most and IBM ranked third. According to the CEO of Kuulas Millward Brown, Pekka Kivimaa, the reason for this is that people have not had earlier such strong image relationship as they might have today (Helsingin Sanomat, 2008).

The study of Interbrand Best Global Brands (2008)

Interbrand is the world's largest brand consultancy company. Interbrand's Brand value ranking methodology is based on three components: Financial Analysis, Role of Brand Analysis and Brand Strength Score. The 2008 brand results can be seen in Figure 2.

Interbrand: The 2008 Best Global Brands						
2008 Rank	2007 Rank	Brand	Country of Origin	Sector	2008 Brand Value (\$M)	Change in Brand Value
1	1		United States	Beverages	66,667	2%
2	3		United States	Computer Services	59,031	3%
3	2		United States	Computer Software	59,007	1%
4	4		United States	Diversified	53,086	3%
5	5	NOKIA	Finland	Consumer Electronics	35,942	7%
6	6		Japan	Automotive	34,050	6%
7	7		United States	Computer Hardware	31,261	1%
8	8		United States	Restaurants	31,049	6%
9	9		United States	Media	29,251	0%
10	20	Google	United States	Internet Services	25,590	43%

Figure 2. The 2008 Best Global Brands (Interbrand, 2008)

The methodology that Interbrand uses in evaluating the brand values is based on how much the brand is likely to earn for the company in the future. In Interbrand's ranking in year 2008 (<http://www.interbrand.com>) IBM's brand value was appreciated on the 2nd place, leaving behind its competitors Microsoft (3) and Hewlett-Packard (11).

IBM's positioning to the top places in such studies as presented here shows that IBM has a great global value as a brand. IBM Finland focuses its external communications and advertising to IT technology related magazines and on similar websites as advert banners. These activities reach a very focused target group in the same industry where IBM operates. For example, in Finland the visibility in television and in such external media which is focused on general consumers and end users does not exist. When IBM is compared, for example, to Coca Cola, the visibility for consumers varies extremely.

1.2 Research questions

The aim of the study is to analyze the various functions of the IBM logo and to understand both the reasons why the logo is so well identified and what kind of images the IBM logo arouses in the audiences. In other words, the focus here is on the communicational value of the logo. In order to accomplish these objectives of the study, the following research questions will be answered in the thesis:

- *How do the shape and colour of the IBM logo affect its recognizability?*
- *What is the role of the corporate logo in IBM's image both internally and externally?*
- *Do information technology corporations share similar trends in their logo development during the years?*

1.3 Definitions of key terms and concepts

The following terms and concepts are used in this study. Short explanations on how these are applied are below.

- Corporate communications* Melewar, Bassett & Simoes (2006) present the corporate communications as an instrument of the company and as a tool for management, by means of which all consciously used forms of internal and external communications are harmonized as effectively and efficiently as possible. This can be used to create a favourable basis for relationships with groups upon which the company is dependent. Argenti & Forman (2002) propose “the corporate communications as the corporation’s voice and the images it projects of itself on a world stage populated by its various audiences – constituencies”.
- Corporate Image* Clow and Baack (2007) subscribe that the corporate image summarizes what the company stands for and how well its position has been established. What customers believe about the company is more significant than how company officials view the image. Company’s image can have a positive or a negative influence on customers as they make purchase decisions. Clow and Baack (2007) suggest that the effective corporate communications is based on a clearly defined corporate image. Corporate Image is often related to the corporate brand. Coulson-Thomas (1983) mentions two different aspects in options for promoting the company’s products: promotion which is focused to the overall image of a product in order to increase the market size by concentrating to non-buyers, and as a second a promotion that is aiming to increase a single brand’s market share.
- Corporate logo* Logo is a graphical element (ideogram, symbol, emblem, icon, and sign) that together with its logotype form a trademark or commercial brand. Selame and Selame (1975, p. 4) describe a logo as “the firm’s visual statement to the world of who and what the company is – of how the company views itself – and therefore it has a great deal to do with how the world views the company”. According to Van den Bosch, de Jong and Elving (2005), the corporate logo represents both current results and future ambitions of the company.

Corporate Visual Identity (CVI)

Key elements of a CVI are the corporate name, logo, colorpalette, font type and a corporate slogan, tagline and/or descriptor and these may be applied on, for instance, stationery, printed matter (such as brochures and leaflets), advertisements, websites, vehicles, buildings, interiors, and corporate clothing. Architecture can also be an important element in an organization's visual identity (Van den Bosch, Elving and de Jong, 2006).

Visibility

Visibility is a measure of the prominence of the brand in the minds of customers. According to Fombrun & Van Riel (2004), this dimension can be gauged in terms of exposure in the street, national heritage, media exposure, brand equity, listing on a public stock exchange and corporate citizenship. All of these elements – whether they are positive or negative – influence to the corporate reputation.

1.4 Structure of the thesis

Literature review in chapter 2 explores the various meanings for corporate logos discovered in academic research. The most relevant part of the literature will be studies in corporate visual identity (CVI), which was used as a framework for the literature review of the study. Chapter 3 presents the data and methodology used in the study. Results for the research questions and analysis of data will be presented in Findings (chapter 4). Finally, the conclusions and discussion will be presented in chapter 5.

2 LITERATURE REVIEW

The consequences of corporate logos have been researched widely in academic literature. The approach for the topic depends of the researcher, but most commonly the logos are presented in only some separate frameworks. Besides the marketing publications, which mainly concentrate on the financial benefits of the corporations' graphical design, studies focusing on the importance of corporate logos in order to create effective communications for companies, could be found extensively. Since the objective for this thesis is to focus on case company IBM's logo and its communicational functions, the latter of the mentioned studies were used as references for this thesis. The researched literature can be divided into two time periods: firstly, to the period of 1985-1999, where the main focus was on sponsorships and secondly, to the new wave, which concentrated researching the logo benefits and which seems to have continued until the 2000's.

The 1985-1999 period exposes timing close to the beginning of 1980's, when companies' interest in sponsoring and sponsorships was emerging. Around this time the financial benefits of the world wide visibility for corporate logos and brands were understood. According to Shannon (1999), the large progress for modern sports sponsorships occurred in Los Angeles Olympic Games in 1984, where for the first time in history the Games depended completely on sponsorships and private money. These Olympics turned athletics into a sponsoring business and made Los Angeles to be the first city so far managing to make a profit with the Olympic Games. The company logos gained a lot of visibility world wide with their sponsoring contracts. Peters (1997) continues that the accurate control in the logo use can help to make the logo even more valuable.

The second of the literature time periods, starting in 1999, concentrates on the understanding that companies should have when starting to create a corporate logo. The aspects which affect the respondent's mind are essential to understand, both in the creating part of the new logo as well as after the logo has been launched.

Other theses focusing on similar themes as the presented one have been completed by Heidi Hyytiäinen (2008), Hetti Niemelä (2008) and Unna Reitamo (2008) in the Helsinki School of Economics. Similarly to this Master's Thesis, each of them was published in the unit of International Business Communication. Hyytiäinen's Master's Thesis "Visual communication and persuasion in technical sales situations" focused on analyzing company visuals and logos, as well as in Niemelä's thesis "Communication through logos" the focus was on the communicational means of a selection of organizational logos. Reitamo (2008) was using IBM as a case company in her Master's Thesis "Message localization in Internal Communication", where the main focus and the research questions were constructed on IBM Finland's internal communications.

In this literature review the focus will be on researching the usage of corporate logos. The images that logos can provide depend of the audience and the importance of the logo design will be studied in the following subchapters.

Visibility for the corporate logo is significant so that it could be recognized world widely. But what are the factors that make a logo an easily identified corporate symbol and in a way that it also manages to communicate the intended message through the logo?

2.1 Logo as a corporate signature

Logo is a recognizable sign which has several functions for a product, service or a company. It is an identifiable sign which helps categorizing the background of the object to be purchased and guides consumers also in identifying purposes (Van den Bosch, de Jong and Elving, 2005) Thus, logo is the company's autograph: a combination of letters or signs, an image, an ideogram, or a group of graphical elements. Van den Bosch, de Jong and Elving (2005) state that the corporate logo or symbol also represents current results and future ambitions of the company.

According to Chevalier and Mazzalovo (2004), the background of logos can be traced to the early Roman times, where the slaves were tattooed by specific signs of their Masters. Nowadays they are a modern characteristic of communicating via symbols. Whereas words to language or numbers to mathematics present communicating, logos do the same as the symbols of our time. The communicative and informative content of logos is maximized by minimizing the signs. Chevalier and Mazzalovo mention as an example the sports company Nike and “the Swoosh”, which has the informative message only in one, simple mark (Figure 3).



Figure 3. The Swoosh logo of Nike (www.nike.com)

The Swoosh- symbol, even separated from the actual logo with the text can be easily identified.

Chevalier & Mazzalovo (2004) continue, that the typology of logos can be difficult to classify. The writers mention a philosopher Charles Sanders Peirce, one of the founders of semiotics, who proposed a classification of signs into three categories: *icons*, *indices* and *symbols*. Misak (2004, p. 242-247) explains Peirce’s views of the sign categories as follows:

“Icons are signs that exhibit their objects by good value of similarity or resemblance. A portrait is an icon of the person it portrays and a map is an icon of a certain geographical area. The meaning of iconic signs lies mostly in their association: what makes a painting or a map an icon is that its qualities or attributes resemble the qualities or attributes of its object” (Misak 2004, p. 242).

“Indices are signs that indicate their objects in a causal manner: an index “signifies its object solely by virtue of being really connected with it”. A symptom is an index of a disease and smoke is an index of fire. The essential quality of an index is its ability to compel attention”. (Misak 2004, p. 246).

“A symbol is a word, hypothesis, or argument which depends on a predictable or habitual rule: a symbol is a sign “because it is used and understood as such”. Symbols have principle” or pragmatic meaning; they have “intellectual purport.” (Misak 2004, p. 246).

According to Pierce (as cited in Misak, 2004), each of the three types reminds of a particular type of relation between the sign and the thing which it represents. Often logos are a mixture of the three.

2.1.1 Logo elements

As mentioned in the previous chapter, corporate logos are visible signs for companies and for that reason it is significant that logos can be straightforwardly connected to the company’s products and supply. Organizations spend a lot of effort on logos every year, both time and financial investments. Through the result of mergers and acquisitions many logos are, and need to be, created (Van Riel and Van den Ban, 2001). In order to create a new logo, Clow and Baack (2007) present that the quality logos should meet four requirements:

1. Logo should be easily recognizable
2. Logo should be familiar
3. Logo should elicit a consensual meaning in the target market group
4. Logo should evoke positive feelings

Further details of these mentioned requirements will be presented in chapter 2.1.2 as a part of the logo creation, but the elements are important to go through here in order to create wider understanding of logos' various aspects.

According to Van Riel and Van den Ban (2001), selecting a logo is an arduous task in the name of deciding which logo would be the most liked, remembered and recognized the best and this way create the strongest sense of familiarity. Van Riel and Van den Ban raise the possibility that expected responses by the consumers are not achieved because of the logo design, the logo is not likeable or it fails to evoke any sense of meaning in the viewer's minds. Still, if the logo is managed correctly it can serve as a competitive advantage for the company and be a useful help for increasing the company reputation (Van Riel and Van den Ban, 2001).

Successful and familiar logos can provide shared meanings to consumers. Clow and Baack (2007) present that when a logo creates a consensual meaning among consumers, the process is known as *stimulus codability*. Logos with a high degree of codability are easier to recognize, Clow and Baack continue by suggesting logo examples such as Apple and Coca Cola. Clow and Baack add that companies whose logos have a low degree of codability must invest more money in advertising, since by logo familiarity logos achieve higher identification rates.

Clow and Baack (2007, p. 39) presents that logo recognition occurs at two separate levels as follows:

- *A consumer may remember seeing the logo in the past. It is stored in the memory and comes back in mind when it is seen at the store.*

- *A logo can remind the consumer of the brand or corporate name. This reminder can elicit positive feelings regarding either the retailer's brand name or manufacturer's brand name.*

Instead of using letters in a logo, some companies choose to use a picture replacing the letters. Pictures, such as other visual elements, have content and shape different from the letters. In addition to that, also denotation (relationship between the content and the expression) has its own impacts to that how the meaning will be consisted (Pohjola, 2003).

Jean-Marie Floch (1995) has analyzed different functions of signs. To identify the differences among letter and picture usage, Floch used logos from IBM and Apple. Essentially a picture as a logo can simply represent more than letters, although the perspective always depends on the viewer, his or her knowledge and familiarity of the company. According to Floch (1995), Apple's logo can be called iconic since it represents an apple. Especially, Floch focuses on the hollow in the outline which clearly indicates that a bite has been taken out of this apple. The bitten apple Floch (1995, p. 135) saw "to be loaded with multiple offers" and the rainbow colours of the original logo connect to the cultural blend that is Californian society, where the company comes from.

Mollerup (as cited in Pohjola 2003, p. 130) separates the following features of logos:

- 1 symbolic sign (Playboy)
- 2 sign without symbolism (The Chase Manhattan Bank)
- 3 symbolic composition sign (Zeiss)
- 4 composition sign without symbolism (Kodak)
- 5 character without symbolism (Elf)
- 6 symbolic character (Finnair, Pohjola)
- 7 different variations of logotypes

The features that Mollerup raises as different creations in logos are presented in Figure 4 with relevant examples.

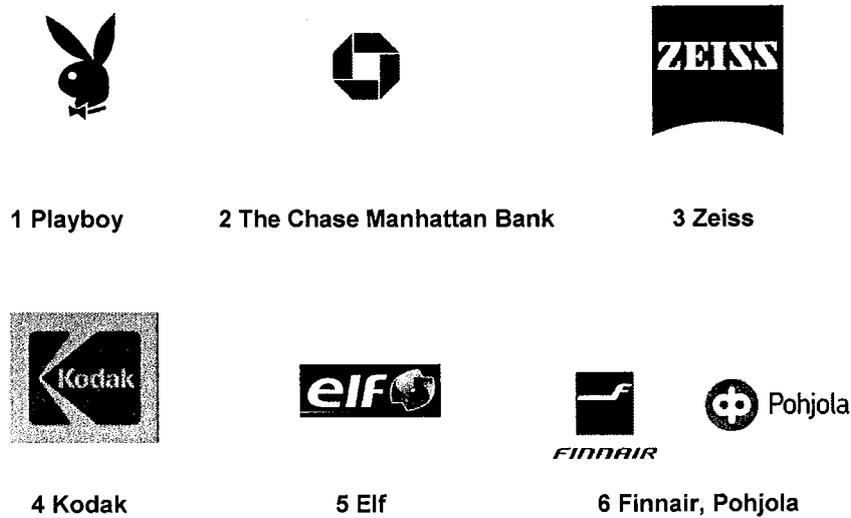


Figure 4. Mollerup's separation in logo features (Pohjola, 2003, p. 130)

As presented in Figure 4, two out of the seven logos provide a plain image without a text or a sign of the company name. When this type of decision is made, the beginning might require strong advertisement in order to create a connection between the images that the external audience has or will have of the company. This is a significant notion since actions in external communications are often seen only briefly outside the companies. Van Riel and Van den Ban (2001) continue that a proper decision making in choosing the logo is important, because logos are one of the main tools for communicating the company's image and also valuable in gaining attention and speeding the recognition of the product or company. The following subchapter will introduce the factors that are needed when creating a new corporate logo.

2.1.2 Logo creation and the graphical design

Before presenting the chosen framework for this literature review (in chapter 2.2), the logos' creating and designing phases will be presented first. Even multiple important factors should be taken into account in the logo design, still the result of how the audience understands the message may differ from the intended one. This is why in the creative and designing phase the company must realize their own mission and vision so that it is reasonable to define the company's goals in the creative work.

Pohjola (2003) argues that when a company or community is creating a logo, the most important point is to understand their own identity. When these facts are written on paper it will most likely be more valuable to start creating a graphic visual for the organization. Pohjola (2003) continues that when defining one's own identity, the practical question to start with is: What is our company? By understanding the current situation helps understand own background and essential history. Another important matter is the future and where the company wants to be in five years' time. This tells about the developing challenges that might be faced soon in the future.

Since companies want their name to be recalled, the logo serves as an abbreviation of the company name. Clow and Baack (2007) suggest that the logo design needs to be fulfilled to be compatible with the corporation's name. A logo or a symbol tends to be perceived and processed faster when it is familiar looking, which is particularly significant for logos. Van Riel and Van den Ban (2001) continue that the familiar meaning can be maximized by selecting a unique but easily interpreted design of a familiar object, which is significant to keep in mind while designing the logo.

Pohjola (2003) claims that the logo needs to be practical since it will be used in business cards, papers, advertisements and on the walls of buildings. The company will be known for its logo which is why it is significant that the logo will be visible in all of external communication actions.

Van Riel and Van den Ban (2001, p. 34) write that logos can have added value only if the two following conditions are achieved:

1. Stakeholders must remember seeing the logo (*correct recognition*)
2. Logos must remind the stakeholders of the company name (*recall*)

As relevant factors of an effective and functional logo the shape and the colour need to be mentioned. According to Pohjola (2003), the colour of a logo is a more important factor than the shape. Strong symbolic contents and substances appealing to feelings can be related to colours. The use of colours in logos, especially in global corporations, need to be chosen carefully depending of the different meanings that colours might in diverse cultures have.

According to Pohjola (2003, p. 31), “the colour communicates message to the respondent, and the message might include several meanings depending on the rest of the entirety like other elements and other colours”. Pohjola mentions white as an example colour, which in Western parts of the world equalizes cleanness and in some Asian countries white is a colour for death.

Pohjola (2003) continue that companies which use logotypes as the only signs of the company have a lot of requirements for the design of the logo. The general shapes used in the design are geometric and elastic shapes, where as the strong symbolic characteristics have been added to the chosen logo colour.

These matters should be noted in companies’ external communications. Some shapes do accentuate the value of the logo colours while some damp it down, but in order to recognize the logo shape Pohjola (2003) mentions that the used colour helps in measuring sizes of the used surfaces.

Pohjola (2003) continues that using only logotypes as the signs of the company sets several requirements for the logo design and also for that how it can be adjusted in

practice. Generally, the shapes used in logo design are geometric and elastic. Strong symbolic characteristics have been added to the chosen colours in logos. The colour communicates a message to the respondent and the message might include several meanings depending on the rest of the logo.

Logos do have a function as an icon for the company, since the logo describes the consumers belonging to a special “club” as the company members. Typographical logos, which have a specific, often incomparable way of writing the brand font, letter size or spacing, provide this symbolic function completely. Typography is described to be the art and technique of a graphical design. Typographical logos have all the required symbolical function premises in the specific ways of writing either the font or the letter size. According to Chevalier & Mazzalovo (2004), the typology of logos can be difficult to classify.

According to Clow and Baack (2007), it is common that the budget for an organization’s promoting activities needs to be large in new companies, but a strong corporate name together with a well designed logo can be a valuable aid to help consumers remember both the company advertisements and the company name.

Chevalier and Mazzalovo (2004) explain the evolution of the logos being a constant search for fine adjustment, appropriateness to current tastes, and modernization, while endeavouring not to weaken awareness of the company name. Already in 1994 over 3 000 new companies in the United States spent approximately \$120,000,000 for creating and implementing a new logo. Investments like this are made because the company management expects that logos can add value to the reputation of an organisation (Van Riel and Van den Ban, 2001). According to Van Riel and Van den Ban (2001), logo creation and design is significant for visible communication actions but also in creating the corporate image. As knowing now the factors which are important in the logo design, the corporate image creation will be just as significant to learn. The factors that corporate logos have in the corporate image will be covered in the following subchapter.

The information in this subchapter was presented in order to create understanding of the various ways that logos can be seen by internal and external audiences. This information is valuable in order to find answers to the study's research question number 1 (How do the shape and colour of the IBM logo affect its recognizability?).

2.2 Corporate logo as a part of the corporate image

Corporate logo is one aspect of the corporation's image since the logo identifies the company by being a symbol for the corporate image as a whole (Clow & Baack, 2007). Clow and Baack (2007) continue that effective corporate communications is based on a clearly defined corporate image. The image summarizes what the company stands for and how well its position has been established. What consumers believe about the company is more significant than how company officials view the image. A company's image can have either a positive or a negative influence on customers as they make purchase decisions.

It depends on the corporate image whether the logo is a tool for strengthening the company's communications strategy or whether it is used for launching a new, fresh image. A new corporate logo reflects changes on some level, even in traditional companies with a long background (Pohjola, 2003).

Even though the new corporate logo was adopted only for renewing the company image, it requires thorough analysis. Pohjola (2003, p. 130) suggests the following checklist for planning the logo:

- Do we renew our current logo?
- Do we create a totally new logo?
- Do we have several existing logos which should be integrated?
- Should the new logo be in a form of letters, picture or a combination of both?
- What is the informative meaning of the logo?

Corporate image is valuable for global companies. Reasons behind this can vary a lot and these statements have been researched widely. Clow and Baack (2007) claim that the benefits of a fine corporate image could be maximized especially in globally operating companies. Foreign businesses are likely to feel more comfortable making transactions with a firm from a different country which has a strong corporate image and the background of the company is familiar. Clow and Baack (2007) write that a company such as IBM can expand into a new country and gain the confidence of consumers and businesses more quickly than smaller, unfamiliar companies do.

Van Riel and Van den Ban (2001, p. 34) state that a logo will create associations and image by the time. The writers continue that it can also be assumed that a set of internal and external communicational properties of a logo will affect an individual's understanding and interpretation of it:

1. *Intrinsic properties* of a logo are properties resulting directly from a confrontation with the logo.
2. *Extrinsic properties* are properties which originate from the associations with the company behind the logo.

Intrinsic properties are divided into perceptions of the graphical parts (what is the factual interpretation of the logo?) and to the perceptions of the referential parts (what does the logo represent?). Extrinsic properties are associations that are partly defined by the behaviour of an organisation in the past. They express their values to external and internal audiences by the strength of communication.

The image that customers, partners or competitors create of the organization is significant information and can be measured by question surveys or studies. These results might reveal valuable data to be used as a help in the marketing and communications planning.

Kotler (2001) presents a term of “brand” as a name, term, sign or a symbol, or as a combination of these all. Brand intends to identify the products or services of the supplier or manufacturer and to differentiate them from the competitors. Carter (1982) presents the concepts of both a logo and a brand as a visual manifestation of the company’s identity. A valuable logo has the power to express and synthesize the characteristics of the brand and success gives a brand a considerable competitive advantage. Chevalier & Mazzalovo (2004) state that the company logo is not the company brand itself, more likely it is a particular way of writing it. According to Coulson-Thomas (1983), a strong brand is an assisting tool in implementing further accomplishments for a company.

According to Fitzsimons et al. (2008), brand can be used in launching other, also new products by taking the advantage of the name that is already familiar for the consumers. Using a specific brand or products under a familiar logo tells specific details of the consumers. Fitzsimons et al. (2008) focus on consumers behavioral effects and how they do exposure to social primes. Results support the translation of these effects: participants primed with Apple logos behave more creatively than IBM primed and controls; Disney-primed participants behave more honestly than E!-primed participants and controls.

In competitive market fields positioning the company’s products and services is essential. According to Jones (1997), products under familiar brands, both advertised and unadvertised, do not lose or win market shares very widely over time. The latest studies researching brand values show the world-wide recognition that IBM with its brand and logo has reached (see Millward Brown, 2008; Interbrand, 2008). IBM’s positioning to the top places in such studies shows that IBM has a great global value as a brand.

The following study is done by a Finnish media company Talentum and it concentrates on researching specific questions relating to the Finnish technology industry. The study was implemented between Jan 2004-March 2004 and the reason for choosing the

following study as a reference for the thesis was to widen the perspectives of corporate image, particularly in the case company IBM.

The study of Talentum (2004)

In 2003 the marketing unit of IBM Finland ordered a study from Talentum to explore the corporate image that IBM has among the people related to the IT Industry (see Figure 5, in Finnish only).

	IBM		Cap Gemini Ernst&Young		Fujitsu Services		Accenture	
	n=151 2004	n=148 2003	n=80 2004	n=57 2003	n=39 2004	n=69 2003	n=43 2004	n=46 2003
Yleinen arvostus tietotekniikkatoimittajana	8,23	8,19	7,56	7,52	7,59	7,66	7,45	7,44
Varmuus ja luotettavuus	8,53	8,56	8,03	8,00	8,24	8,37	8,25	8,07
Hintojen kilpailukykyisyys	7,42	7,33	7,31	7,10	8,00	7,90	7,08	7,17
Henkilöstön palveluhalu	8,21	8,07	8,25	7,98	8,51	8,43	8,31	8,08
Lähestyminen ja as. suhteen ylläpidon helppous	7,78	7,76	7,79	7,57	8,33	8,43	7,46	7,47
Palvelutarjonnan monipuolisuus	8,49	8,35	7,91	7,78	8,31	8,34	7,64	7,96
Ammattitaidon taso	8,60	8,48	8,36	8,20	8,06	8,31	8,49	8,23
Menestyminen toiminnassa	8,55	8,56	8,22	8,20	8,16	7,99	8,38	8,28
Laitteiden korkeatasoisuus	8,68	8,56	-	-	8,27	8,28	-	-
Laitteiden saatavuus kokonaistoimituksena	8,34	8,20	-	-	8,09	8,33	-	-
Laitteiden joustava laajennettavuus	8,20	8,13	-	-	8,00	8,05	-	-
Huoltotoiminnan taso	8,27	8,24	-	-	8,06	8,25	-	-
Ohjelmistojen korkeatasoisuus	8,22	8,09	8,02	7,88	7,79	7,91	7,82	7,87
Osaaminen järjestelmä-integraattorina	8,21	8,16	8,10	7,92	7,71	8,10	8,00	7,76
Taso tietoliikenne- ja verkkoratk. toimittajana	8,18	7,96	7,91	7,74	7,88	7,98	7,35	7,53
Osaaminen internet-hankkeissa	8,06	8,06	8,15	7,90	7,58	7,91	8,09	7,68
Asiantuntijapalveluiden taso	8,25	8,11	8,42	8,33	8,14	8,06	8,53	8,20
Saatavissa olevan koulutuksen taso	8,22	8,04	7,71	7,98	7,68	7,79	7,91	7,84
Käyttöpalveluiden taso	8,15	7,98	8,00	7,74	8,13	8,02	7,52	7,96
Taso teidän toimialanne ratk. toimittajana	8,05	7,83	7,92	7,56	8,00	8,11	7,59	7,51
Osaaminen asiakaskoht. ratk. toteuttajana	8,33	8,25	8,19	7,93	8,22	8,28	8,29	8,16
YLIN JOHTO:	n=42	n=38	n=50	n=33	n=14	n=27	n=41	n=32
Yleinen arvostus tietotekniikkatoimittajana	8,33	8,18	7,78	7,67	7,56	7,74	7,81	7,64
Varmuus ja luotettavuus	8,39	8,76	7,80	7,93	7,85	8,12	7,89	7,94
Hintojen kilpailukykyisyys	7,37	7,36	6,91	7,31	7,64	7,67	6,69	6,61
Kyky palvella yrityksen tarpeita	8,42	8,42	7,45	7,48	7,83	8,12	7,56	7,48
Ammattitaidon taso	8,34	8,42	8,11	8,00	8,00	8,15	8,19	8,31
Tuotteiden tai palv.korkeatasoisuus	8,34	8,39	7,93	7,79	7,69	8,19	8,11	7,96

Tietotekniikka-alan yritys kuvat 2004, IROResearch



Figure 5. Images of IBM's operational capabilities (Talentum, 2004)

Talentum has a background in publishing a magazine which reaches the employees in the technology field (Tietoviikko), which gives the perspective and understanding for them to accomplishing such research. The random sample of the interviewed people

was not focused on the readers of *Tietoviikko*, more likely the focus was on the biggest technology companies in Finland. The interviewer started by tracing the person responsible for IT-purchases in every explored company, and booked a 40 minute slot for a telephone interview. The interviewees were divided into three categories: top management, Chief Information Operations and Information Technology professionals.

Two of the questions were related to the strengths and weaknesses in IBM's services and the interviewees were asked about the images they connect to IBM. As IBM's strengths were mentioned factors such as strong and trusted company, global and international, quality and complete package. The respondents on the board level answered mostly the same substances (flexible, hardware, extensive and global). As IBM's weaknesses were mentioned prices, stiffness, old fashioned and bureaucracy. Board levels answers did not differ a lot in this question either. Both of the questions received also N/A answers. One of the Talentum's questions was about comparing IBM to its competitors. How IBM was ranked by its operational capabilities can be seen in Figure 5 (in Finnish).

Although the current images of IBM Finland might differ five years later in 2009, but Talentum's (2004) study shows the common message that IBM has communicated through its operational businesses. Through the studied literature for this thesis it could be learnt that the minority of publications analyze IBM's history and economic achievements during the past years. Also, IBM's position among the competitors has been analyzed widely in the literature, particularly the monopoly situation that the corporation seems to have on the markets.

According to Randall (1997), in the earlier decades customers were buying IBM machines even though they were almost never the cheapest. But Randall (1997, p. 10) continues that "what IBM created by the end was a total offering of hardware, software and services, which gave the buyers a set of benefits that no competitor could match. The benefits included confidence in the quality and reliability of the equipment."

The former chief executive of IBM, Lou V. Gerstner recalls (Gerstner 2002, p. 89) that “even though the company had struggled in managerial and financial problems during the 90’s, marketing survey done in 1995 revealed that the consumers still believed in the company logo, in other words that IBM would provide reliable quality products”.

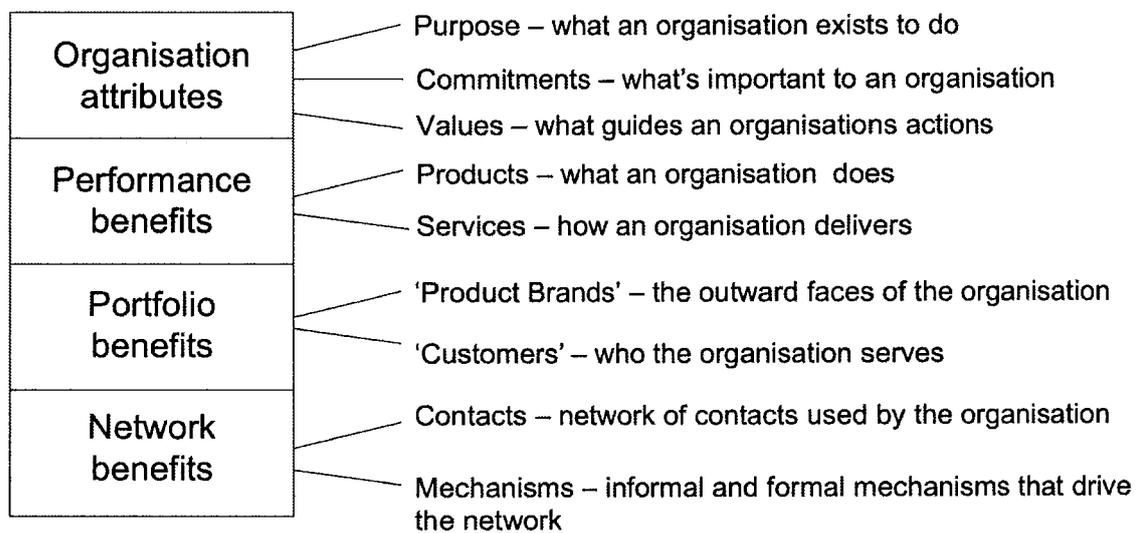
The impact of an organization behind the logo, most importantly the reputation and the image that the organization has, does have a strong connection with the meaning that the company logo represents. This could be seen in Talentum’s (2004) study, since the trust in IBM’s logo was high.

The provided brand value studies by Millward Brown (2008), Interbrand (2008) and the IBM research by Talentum (2004) all reveal that IBM is known as a strong and valuable name. Even though all of the three studies used different information base for measuring the results, in the end the actual results did not differ from each others. The innovations that IBM has created during the decades have established a position in the world which is not easily lost. IBM’s operational ideology is based on innovations and solutions which as such guarantee competitive advantage for the corporation. Still it is significant to keep in mind that the changing world increases the pressure to reform, even for traditional companies and they are business wise forced to look in the future.

Useful and specific information of Finland’s industry area can be learnt and utilized from the IBM study by Talentum since the interviewed people in the study are customers, partners or competitors of IBM. Based on the results of Talentum’s research, IBM is known as a stabile company in the technology industry. The question about the images the interviewees had about IBM’s weaknesses revealed that the technology giant is not often experienced as flexible as the smaller companies probably are, but on the other hand, in a global corporation the supply of products and services is wider than in smaller companies and the corporation can provide their services globally.

Logos implicitly contribute to an increased degree of identification with the organization, because they clarify meanings for both internal and external audiences. Van Riel and Van den Ban (2001) continue that for external stakeholders the logo is a label to store information about the organization in mind.

Even though the focus on the thesis is in corporate logos and the differentiation between logos and brands were done in chapter 1, Figure 6 will present the corporate brand positioning framework by Knox and Maklan (1998). Corporate brand positioning framework points the four stage positioning that comprises organisational attributes and its performance, portfolio and network benefits.



Source: Adapted from Knox and Maklan (1998)

Figure 6. Corporate brand positioning framework: Definitions (Knox & Maklan, 1998)

As can be seen in the Figure 6, different aspects of the corporation influences to the brand positioning. Corporate brand positioning framework (Knox & Maklan, 1998) presents as an approach, how branding and brand positioning can be constructed as special corporate brand communications.

Knox and Maklan (1999) argue, that “Organization needs to divide its channels of communications according to their levels of formality, by identifying both key formal communication channels and other informal mechanisms commonly found in organisations”.

According to Knox & Maklan (1998), “the corporate brand positioning developed during the brand construction phase needs to be consolidated and articulated to the rest of the organisation and external audiences”. According to Sealey (1999; as cited in Knox & Maklan, 1999), the positioning approach (or unique organisation value proposition) applies unique selling proposition at a corporate level in the same way, how the product positioning in the past were achieved through advertising.

Figure 6 explains the wider understanding for brands in order how brands communicate of an organization. The corporate brand positioning framework describes how the added value can also be an intangible asset, which needs to be shown when the customer faces the company or its supply. Brands as a part of the company’s supply are not the main attributes creating the success, since the customer value drivers are as much the factors inside and outside the company performance.

Kotler (2001) has researched customers’ decision making process, presented in Figure 7. Kotler divides the process into four separate types (total set, awareness set, consideration set, choice set and decision) and the separation among the types depends on existing, either major or minor, differences among the products or services to be chosen.

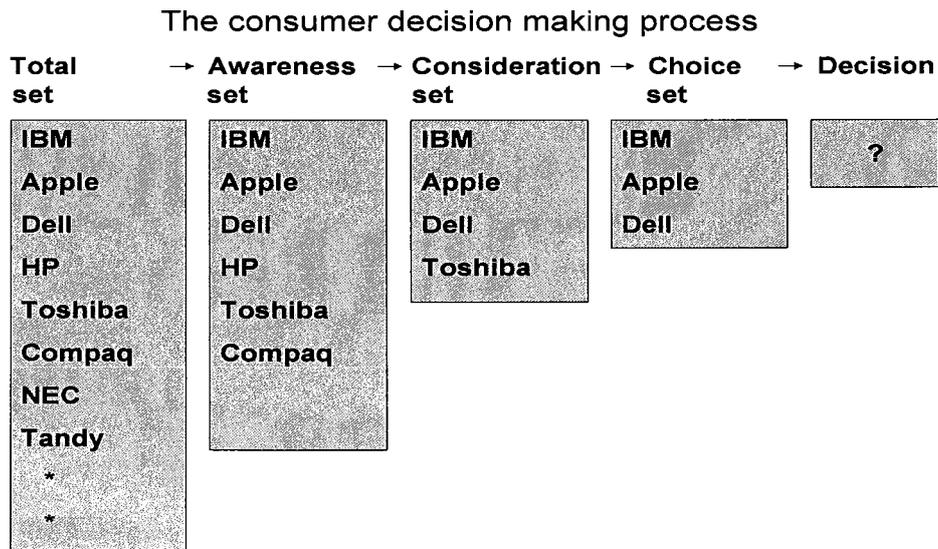


Figure 7. The consumer decision making process (Kotler, as cited in Pohjola 2003, p. 33)

As presented in figure 7, the first set includes all of the options that will be available to the consumer. The first set also creates the highest decision making as the customer's relation between the brands is yet to be made and obvious differences among the products still exist. This is the part where the consumer forms beliefs and images among the brands. In the second, awareness set, the consumer is highly related to the buying process but notices only low differences among the products at this point. As an effective factor, the products are often rather expensive, seldom bought and the buying process has a high risk. In the third, consideration section, the consumer is willing to buy the product with a little estimation. The actual decision making is done through consuming, which is the actual estimating that will affect the consuming decisions in the future. In the fourth part, in the choice set, it is common that the consumer has no relation to the brand and that way chooses the product that feels most familiar.

Figure 7 can explain the importance of the images and how they affect the consumers. The corporate image authenticates the source of the communication and the values that the company states. Even though the actual decision making is done through

consuming, it is significant to invest time in creating awareness for the company's name. This increases the company's possibilities being among the total set in consumers decision making process.

Corporate logo, together with the company name, is a symbol which consumers recognize and experience familiar. According to Chevalier and Mazzalovo (2004, p. 169), "the logo plays role in social relations for two complementary reasons; on the one hand for the informational content it communicates to the consumer before the purchase, on the other, for the perception it will create of this same consumer after the purchase, when he or she will be associated with the logo". Images that the consumer has created of the corporate logo influence the consideration set in the decision making process.

Figure 7 helps to understand how customers behave in the buying process and how their decision making process is constructed. Corporate image is one of the essential matters that affects the company's belonging to the total set, where the consumers final selection begins. This can explain the external audiences' point of view in order to find answers to research question 2 (What is the role of the corporate logo in IBM's image internally and externally?).

2.3 Corporate Visual Identity

This thesis examines academic literature regarding logos as one of the dimensions in corporate visual identity (CVI). Various researchers, for example Van Riel and Van den Ban (2001), Melewar & Saunders (2000) and Van den Bosch, Elving and de Jong (2006) have studied corporate visual identity and in terms of wider perspective, CVI gives understanding to the companies' logo value as a part of the graphical design. This literature will be used as a framework in order to answer the research questions concerning the case company IBM's logo.

Van Riel and Van den Ban (2001) argue that the corporate identity is what the organization's members see as the core of the organization through the behaviour, communication and symbols. Corporate communication, including a company's advertising, public relations and the behaviour of the organizational members, is harder to control than the symbols, which are more efficient management tools. These can be designed to express the specific features of the organization.

Corporate visual identity can be described as the deeper corporate identity including graphic design through official corporate symbols (Melewar & Saunders, 2000). According to Melewar & Saunders (2000), corporate visual identity is the domain of designers while corporate identity is the domain of organisational theorists.

When a new company is set up, it is significant to clarify the company policies since they can have a strong impact on how the company identity will be constructed in the future. The relationship between corporate design and organizational culture should be obvious, as the corporate design is often named as one of the key components of the organizational culture (Melewar and Karaosmanoglu, 2006).

Van den Bosch, Elving and de Jong (2006) continue that often special attention is paid to corporate visual identity (CVI) when the organisation is going through changes. In the case of mergers and acquisitions, CVI is a major factor in strategic decisions, since it symbolises the change in the organisation and is one of the few directly manageable instruments in building a new corporate identity.

Corporate visual identity (CVI) is the main perspective that gathers most of the researches in a specific framework (Melewar and Saunders, 2000). CVI's dimensions provide the graphical design by a broad and comprehensive way.

Melewar and Saunders (2000) demonstrate the Corporate Visual Identity System (CVIS) as a graphic design at the core of a firm's visual identity. The CVIS elements are the following:

- Corporate name
- Symbol and/or logotype
- Typography
- Colour
- Slogan

According to Van den Bosch, de Jong and Elving (2005), CVI comprises all the symbols and graphical elements that express the essence of an organization. Van den Bosch, Elving and de Jong (2006) continue from this by adding architecture as an important element in an organisation's visual identity and provide such examples as McDonalds and Ikea. These two are companies who tend to use similar construction and architecture for their buildings all over the world and this way architecture can be mentioned as an identifiable factor for McDonalds and Ikea. Bosch, Elving and de Jong (2006) continue with saying that also these company's policies are relying on the fact that the quantity of the products is similar world-widely. Writers cite Melewar et al. (2001, p. 420) in their article, with statement "it is not the symbol itself but what the symbol represents that has value".

Melewar and Saunders (2000) argue that designers use CVIS to widen the communications mix in companies. According to Melewar and Saunders (2000), CVIS is as a wider view of business communications as an eighth P, publications, to the seven Ps of service marketing: product, price, place, promotion, participants, physical evidence and process. Publications include all the printed and electronic material that the company uses for external communications.

The relationship between CVI, corporate reputation and the use of CVI in order to support the organizations' reputation has been researched by *the framework and reputation model* (Melewar, Basset & Simoes, 2006). The reputation model consists of five dimensions: visibility, distinctiveness, authenticity, transparency and consistency. All the five dimensions are connected with the impressions that are based on behaviour, communication and symbols. Figure 8 identifies how the corporate visual identity (in

the lowest box on left side) is a significant part of the communications and visual identity.

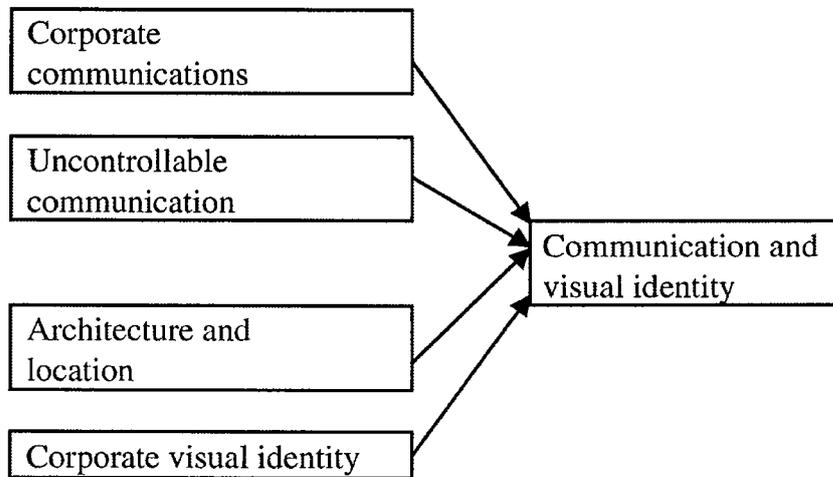


Figure 8. Communication and corporate identity (Melewar, Basset & Simoes, 2006)

On the basis of Figure 8 the understanding of logo usage in corporate communications activities can be constructed. This framework proves the graphical visuals to be an efficient tool in corporations' visible communications. The communicational aspect is important for the knowledge that corporations' products do not necessarily require strong advertising to be efficient; using the graphical visuals can create value in corporate communications for internal and external audiences.

According to Melewar & Karaosmanoglu (2006, p. 865), "visual identity has two fundamental purposes. Firstly, it represents the organisation's values and philosophy. Secondly, it supports corporate communication. The organisation's visual identity can influence many of the stakeholders including employees and investors as well as consumers. It is the most frequently discussed aspect of corporate identity and in consequence, one of the most commonly used methods to indicate a transition in identity by organisations is a name change, often along with alterations to the corporate image".

Corporate identity is the part of an organisation which incorporates, for example, the organisation's communication, design, culture, behaviour, industry identity and strategy (Melewar & Karaosmanoglu, 2006). As the design is in the Figure 8 presented as a part of the corporate visual identity it is also related to the corporate personality and image.

Melewar and Saunders (2000) demonstrate the corporate visual identity system (CVIS) being a graphic design at the core of a firm's visual identity. Logos as such are not often researched as single factors for companies' communications, most commonly logos are attached as an element of the corporate identity visuals, in which logos are placed to the same category with the corporate name.

As Van Riel and Van den Ban (2001) point out in their article, corporate logos can have added value for companies, but not just because a logo is the only consistent element in the corporate identity-mix. The static nature of a logo simplifies unavoidable exposure of the visual representation of the organizational identity characteristics.

The theoretical framework of this study is based on the corporate visual identity (CVI) and the data has been analyzed by bearing this model in mind. Answers to research question 1 (How do the shape and colour of the IBM logo affect to its recognizability?) and to research question 2 (What is the role of the corporate logo in IBM's image both internally and externally?) can be partly explored by the data.

Next subchapter presents the theoretical framework for the study.

2.4 Theoretical framework

Researches focusing to the graphical characteristics and visuals have increased the understanding and importance of logos, in order to widen the awareness and appreciation of a company by logo usage (Van Riel and Van den Ban, 2001).

Various articles mention the logo choosing process in companies as a task that should be carefully concluded with an effort, since the logo symbolizes desired identity characteristics of the organization (Chevalier & Mazzalovo, 2004). The impact of a logo will be even stronger if all of the dimensions of corporate visual identity (CVI) are perceived to be in line with the desired characteristics of the organization (Van Riel & Van den Ban, 2001).

Studying the literature of corporate logos revealed that the company logos are often presented in the same outline as the company brands. Since this thesis concentrates on logos, the separation of logos and brands are carried through the study. Still the difference between the two is significant to understand, especially from the case company IBM's perspective. According to Van Riel and Van den Ban (2001, p. 34), "effective logos become synonymous with the organizations they portray. They are instantly recognized by millions of people and help to identify their companies and convey a message about the brands for which they stand".

Van Riel and Van den Ban (2001) argue that corporate logos are one of the main tools for communicating the company's image and also valuable in gaining attention and speeding the recognition of the product or company. Corporate logo or a symbol tends to be perceived and processed faster when it is familiar looking, which is particularly significant for logos (Van Riel and Van den Ban, 2001) and the familiar meaning of the logo eases to interpret the design.

The shape of IBM's logo meets the requirement of logo being easily recognizable (Clow and Baack, 2007), since the logo includes the letters of shortened corporate name (IBM of International Business Machines). Corporate logo description by Van den Bosch, de Jong and Elving (2005) includes the same aspects; "combination of letters or signs, an image, an ideogram, or a group of graphical elements". Even the IBM logo has existed for years; the design with three letters is nearly the same that how modern corporate characteristics where the communicative and informative content of logos is maximized yet by minimizing the signs (Chevalier and Mazzalovo, 2004).

Graphical design is mentioned to the core of a firm's visual identity (Melewar and Saunders, 2000). The corporate visual identity (CVI) gathers colour as one of the important elements for the logo design.

According to Pohjola (2003), the colour of a logo is more important factor than the shape. Pohjola (2003, p. 31) argues that "the colour communicates message to the respondent, and the message might include several meanings depending rest of the entirety like other elements and other colours". Strong symbolic contents and to feelings appealing substances can be related to colours.

IBM's blue logo colour has brought a nickname "Big Blue" for the corporation during the years. This explains that the blue logo colour is recognised externally among the partners, customers and competitors, but not necessarily outside this main target group (see more 3.1). Internally among the IBM workers the colour has grown being a part of the organisational culture (see 3.2).

As Clow and Baack (2007) present, corporate logo is one aspect of the corporation's image since the logo identifies the company by being a symbol for the corporate image as a whole. IBM's logo has remained the same from 1972 but the corporation has gone through many changes during past decades. Van den Bosch, Elving and de Jong (2006) argue that when the organisation goes through changes, often special attention is paid to corporate visual identity (CVI). Especially in the case of mergers and acquisitions, CVI is a major factor in strategic decisions, since it symbolises the change in the organisation and is one of the few directly manageable instruments in building a new corporate identity (Van den Bosch, Elving and de Jong, 2006).

According to Pohjola (2003), it depends on the corporate image whether the logo is a tool for strengthening the company's communications strategy or is it used for launching a new, fresh image. In the interviews by Talentum (2004) such thoughts as old fashioned came up. Since a new corporate logo reflects changes on some level, also in traditional companies with a long background (Pohjola, 2003), could be questioned

whether remaining the IBM logo as the same for 37 years is too long time? Previous phases in IBM's logo history and further analysis of the corporate logo are presented in Findings.

3 DATA AND METHODOLOGY

This chapter presents the methodology and the details of data collection that were used for the study. This qualitative study followed Bryman and Bell's (2003) outline of qualitative research.

The further methods to collect data for this study comprise semi-structured interviews and focus group surveys relating to respondents' knowledge of IBM. Also, the images that the company and the logo arouse in the viewers were under discovery.

In semi-structured interviews the presented questions are the same for each person but the interviewees can answer them in their own words. Hirsjärvi and Hurme (2000) explain the method of semi-structured interview as a situation where the interviewees have been a part of a similar situation or background and the interviewer has studied the research objective's important parts, processes and the objective as a whole. With this background the structure for the questions is developed and the interview then is focused on specific themes.

Bryman and Bell (2003: 287-288) observe that the *"reliability, validity and generalizability are different kinds of measures of the quality, rigour and wider potential of research, which are achieved according to certain methodological and disciplinary conventions and principles"*.

The meaning of these criteria has been widely developed in quantitative research. It leads to the point that reliability and validity in qualitative research are often employed in similar ways than in quantitative explores.

This study used three different methods and data: Focus group surveys, semi-structured interviews and logo analysis of three corporate logos.

Both interviews and questionnaires were used in this study in order to explore the awareness of IBM's logo. By comparing and analyzing the received information were wanted to specify the role of the corporate logo in IBM's image both internally and externally. The question surveys were focused on people outside the company and the interviews were fulfilled internally at IBM Finland's headquarters.

One of the questions the respondents in both groups were asked to revise the reputation of IBM's logo and what the logo represents for them. Since the answers received from these internal and external sources varied from each other did the combining of the internal knowledge versus the external understanding of the logo provide valuable information for the thesis.

3.1 Focus group surveys

The focus group surveys were focused on people who are not related to the company and they were chosen on the basis of authors' own networks. The questions in both completed techniques were based on the research questions of the thesis (see 1.3).

Since IBM does not focus on consumer markets as its core business and the IBM logo cannot be seen in the media on the daily basis, the research wanted to find out how the general public views the IBM logo. The focus group method was used to investigate the knowledge that people have on the IBM logo outside the company and the survey was targeted to an external target group presenting different age-groups. The target of the survey was to find out how these persons react on the IBM's logo and where they remember seeing it since the logo is not visible common consumer advertising. With this information were made the comparison between the images and the actual segment results.

People in three age groups were chosen among the acquaintances by the author and an important factor for choosing them was basing on their different background in order to receive information from as wide perspective as possible. Respondents were asked to

fill in a focus group survey about the images they have of IBM's logo, industry and competitors (see Appendix 1). The survey was sent to them by email.

Each focus group consisted of 5 members and thus the total number of replies was 15. The questions in the survey were presented in Finnish. The focus group members were divided into three age groups as follows:

Group 1: age 15-30

Group 2: age 30-45

Group 3: age 45-60

The background of the respondents varied from each other, the youngest respondents being two students aged 17 and 19 years and the oldest being 65 year old retired person (for more detailed information of the respondents, see Appendix 2).

The question surveys were filled in order to find answers to the research questions of the study. The main focus was in research question 1 (How do the shape and colour of the IBM logo affect its recognizability?) and the questionnaire was constructed in order to find answers on the respondents view the shape and colour of IBM's logo. A question relating to the images that IBM's logo appeals in the external audience was also presented in order to explore answers to research question 2 (What is the role of the corporate logo in IBM's image both internally and externally?)

During the focus group survey the respondents were not able to ask opinions from other respondents. To analyze the respondents' understanding of the IT industry they were asked to name a few of IBM's competitors. The results will be analyzed in chapter 4.

3.2 Semi-structured interviews

Five semi-structured interviews were conducted among IBM employees. The interviewees were all managers either in business or communications field. These

persons shared a background in both serving the company for several years but also by having a perspective to IBM's marketing. Each of the interviewed persons had worked in several different positions during their work career at IBM Finland and this guaranteed a wide perspective for the discussion.

Five interviewees were selected from IBM Finland managers. These interviews were accomplished as semi-structured and the interviewer explored the questions under broader themes and the number of questions was narrowed down to five questions (Appendix 3). This depended of the limited time the interviewee's had available during working hours. The language used in the interviews was Finnish.

The aim of the interviews was to study the understanding and image that these persons, who have been a part of the corporate culture for several years, have of IBM, what the company presents for them and how valuable they see the company logo in today's business. The themes that were discussed in the interview are presented in Appendix 3.

The interviewees were given a chance to reveal their own opinions about the corporate communications structure that has been followed and implemented in the company. Corporation policy limits marketing planning and the interviewer found it as accurate information to be shared with the interviewees for further knowledge and understanding of the marketing and communications practises. Also, interviewees' own views of the IBM's logotype were asked in order to analyse the answers of logos' internal message and how they differ from the external views.

The internal interviews were accomplished during December 2008 and January 2009 at IBM Finland's headquarters in Munkkiniemi, Helsinki. The interviewed managers were chosen on the basis of their long background and high position in the company, their assumed interest in the topic and also their availability depending of the managers' busy schedules. All the interviewees showed support for the research which was essential in order to accomplish the empirical research of the thesis. Invitations to the individual interviews were booked by sending a calendar invitation two weeks before to

the suggested time. The invitation explained the researcher's background in the company, status as a student in the Helsinki School of Economics, topic for the thesis and examples of the questions that were planned to be presented in the interviews. Interviews were recorded and the calendar invitations were booked for 45 minutes and the time of the interviews varied from 30 minutes to 45 minutes.

The interviews were separated differently for communications managers and business managers (Appendix 3), giving more perspective for the discussion either on the external (*business*) or internal (*communications*) area. The gender of the interviewed managers, their current positions and years in the company are presented in Table 1.

DATE	LENGTH OF THE INTERVIEW	POSITION IN THE COMPANY	GENDER	WORKING CAREER IN THE COMPANY	PERSON WILL BE REFERRED IN THE TEXT AS:
1 Dec, 2008	45 min	Client Manager, IBM Sales & Distribution	Man	23 ½ years	B1
2 Dec, 2008	30 min	Marketing Communications Specialist	Female	8 years	C1
4 Dec, 2008	45 min	Manager of Country Communications	Man	15 years	C2
8 Jan, 2009	45 min	Cluster Unit Executive, IBM Sales & Distribution	Man	25 years	B2
30 Jan, 2009	30 min	Business Development Executive	Man	6 years	B3

Table 1. Details of the interviews at IBM Finland

The length of the interviews was nearly the same with each interviewed manager. The challenge in the interviews was keeping the focus on finding answers to the research question 1 and 2 (see 1.3), since the broad topic and discussion brought up many

interesting stories of the interviewed managers' backgrounds and experiences at IBM Finland during the years. Of the interviewed managers four were men and one woman and their backgrounds in the company were quite similar to each other, even though the current positions were divided on a broader area.

Letters B and C reveal the interviewee's current position in the company, in either Business or Communications department. In the analysis of the results the interviewees' will be called as following:

- Client Manager, IBM Sales & Distribution B1
- Cluster Unit Executive, IBM Sales & Distribution B2
- Business Development Executive B3
- Marketing Communications Specialist C1
- Manager of Country Communications C2

3.3 Collection of corporate logos

Qualitative analysis of documents was accomplished of the non-confidential information from IBM, Xerox and Microsoft. Xerox and Microsoft provided comparable data for the case company as being similar technology companies on a same industry field.

In order to learn the logo phases that the case company has faced in its history, IBM's current and former logo phases during the years 1888-1972 will be presented shortly. These logo changes will be compared to two other similar technology companies' logos in order to discover possible graphical tendencies on technology industry during the years. Further analyses of this data collection with logos will be provided in Findings.

Valuable data in order to complete the analysis of the three technology companies' logos were collected by email requests to IBM's and Xerox's communications representatives. In Microsoft's communications department the data was not available and the data collection for the thesis was done by the sources that were available on

Microsoft's website and elsewhere online. At IBM Finland the material was provided by the communications department during fall 2008 as the author works in the case company and co-operates closely with IBM's internal and external communications departments. Also, the corporation's website offered plenty of information of the company's graphical history.

Material from Xerox was requested online at Xerox webpage (www.xerox.com). A reply was received from Mr. Robert Corbishley, Xerox European/UK PR Manager on 20th January, 2009, who had attached to the reply email both qualitative press releases of Xerox's latest visual change and also a portrait of the corporation's logos during its operative history. This material was very similar to the information that was received from IBM Finland and this way a comparison and analysis of the logos as well as the logo histories from both companies could be completed.

The logotypes of IBM, Xerox and Microsoft and their changes will be presented and analyzed using the corporate visual identity (CVI) framework in the next chapter (chapter 4, Findings). The data will be used to research question 3, i.e. what has been IBM, Xerox and Microsoft's logo development during the years and if there exist similar trends in the logo changes.

4 FINDINGS

The findings according to the methods used in this study will be presented in this chapter and they will be discussed further in chapter 5.

4.1 Analyses of Focus Group surveys

This subsection presents the results of the three focus group surveys. The results will be analyzed in order to find answers to research question 1 (How do the shape and colour of the IBM logo affect its recognizability?).

Four out of the five presented questions were qualitative in nature and in one question respondents were asked to position IBM's product and service branches by numbers. This question was analyzed in quantitative methods by calculating the replies on a chart and the quantifiable data was compared to IBM's accurate financial results on year 2008, which explains the actual sizes among the branches (Appendix 4).

Even though academic literature claims that the shape and the colour of the logo are significant factors in terms of the logo recognition (e.g. Pohjola, 2003; Van Riel & Van den Ban, 2001), in the results basing on the focus group surveys these factors could not be identified as noticeable. When asked about the images that IBM's logo communicated, the results varied only a little between different focus group members (Appendix 2).

Next, two of the questions with relevant answers from focus group members are presented.

- How do the shape and colour of the IBM logo affect its recognizability?

The question about the original colour of the IBM's logos received also widely differing answers. Results between blue (4 answers), blue-white (3), grey (2), black-white (3) white (1) and black-blue (2) were suggested. In IBM's logo, the complexity can be based on the fact that the logo is used both in white (in a "box" on a black base; see Figure 16) and in the original blue colour (without background colours). Although all of the focus group members recognized the logo, most of them did not have an opinion or image of the specific details about the logo.

While IBM's core business is on business-to-business markets and not on consumer or end user markets, the advertising and visibility for external audiences is low and understanding of the meaning in the logo colour is hardly communicated to them.

By basing the analysis of the results that were received on the question surveys, IBM's stripe logo has achieved this level on its recognizability. Pohjola (2003) observes that a line used as a shape of the logotype writing presents movements and direction and it connects and separates bigger visions of the community behind the logo. IBM's stripe logo is mentioned to present the dynamism that the company in its actions accomplishes (www-03.ibm.com/ibm/history/exhibits/logo/logo_1.html) and an answer of the dynamism as an image was also received in the result of a question survey. Other answers from the focus group surveys were that the shape of IBM's logo is impressive and easy to recognize.

What is the role of the corporate logo in IBM's image externally?

IBM's logo did not raise any special images or feelings in the focus group members. Mainly depending of the long existence of the same specific logo type IBM's core industry was known widely, but the exact business branch was not very well recognized.

As IBM has a background of innovating computers and typewriters, this image still occurs for many people. In order to analyze if the images of IBM diverse among different age groups the results were analyzed by a quantitative method, in terms of creating a chart basing on the results of each age group (Figure 10) and comparing them on the actual percentage rates of IBM Finland's financial results in 2008 (see Appendix 4). This would give information of which branch is the largest and serves the Finnish markets the widest. The following question was presented in the survey:

1.1. Which of the following do you connect to IBM the strongest?

Mark with numbers 1-4; 1 Weakest -> 4 Strongest

Hardware

Services

Software

Consulting

The results by different age groups (15-30 years, 31-45 years (46-60 years) can be seen in Figure 9.

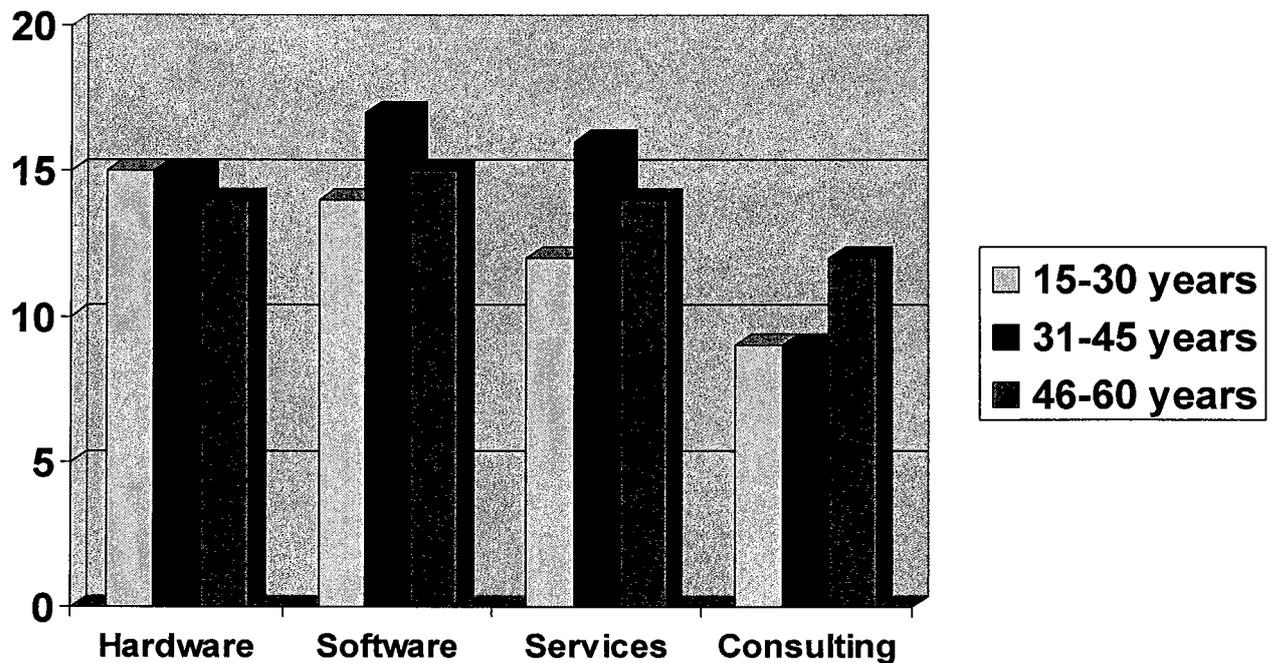


Figure 9. The understanding of IBM's core business: Results by age groups.

As can be seen from Figure 9, the results by the age groups did not differ very much from each other. This question and chart aimed to analyze people's understanding of IBM's products and services, mainly focusing on the fact that as the company's supply have changed during the years does the same image still exist. IBM was strongly linked to hardware business. The actual percentage of the corporate' results in 2008 were the smallest in hardware out of the four business segments (see Appendix 4).

IBM has sold its sub-brand ThinkPad to Lenovo in 2000 so the corporation does not manufacture laptops or computers anymore. The result in hardware percentages from previous year is constructed by selling solutions that can be utilized on Hardware usage among other services. Consulting has increased as one of the main branches of IBM; yet, it was ranked the lowest.

4.2 Analyses of semi-structured interviews

This subsection presents the results and analysis of the five semi-structured interviews, which were conducted at IBM Finland. This subchapter presents the themes that provided most content for the analysis of the internal understanding of IBM's logo.

The first theme was discussed in order to lead the conversation to find answers to research question number one (How do the shape and colour of the IBM logo affect its recognizability?) and the three latter themes to find answers to research question number two (What is the role of the corporate logo in IBM's image both internally and externally?).

Next, four individual questions and interviewees' responses are presented.

- Do you think that after almost 40 years the logo still communicates the same message of the company for external audiences, even though there have been several changes inside the company since 1972?

All the three interviewed business persons agreed that the IBM's logo is still functional although the company has changed its business strategies during the years. The two interviewed communications professionals provided wider explanations on this question.

*"IBM is a traditional company and the history affects the image what people see in the logo and what the logo communicates to them. When the logo has remained the same for these years it is familiar with its shape and its blue colour. Since IBM has changed its "course" from technology to more on services, has the organizational culture and good management have been important. But, even the logo presents as "past" and the future, I still see it as a positive image, because the reputation that IBM has achieved during its history is actually what the IBM brand is about" (C1).**

"In my opinion IBM's brand is based on the knowledge that it provides in all the countries in a same way. IBM has global knowledge around the world. IBM brand has been protected very well during the years as the corporation has its own policy that limits the logo use only in the correct media and for the right customers. This is how the logo has remained the same and it is the reason why the content, the message of the logo have not changed. IBM's ideology has been around the logo, but not by changing the logo itself but changing ways of using it. As an example; in 2007 using the IBM logo in green, relating to the corporation's Green IT-ideology" (C2).

The communications managers summarized the use of IBM's logo during the years in a similar way. Even though the corporate logo is old, by the protected use and careful planning of the contexts where the logo can be used the logo's lifecycle can be extended. The logo colour was raised as an important factor for the logo, since by changing the colour the corporate logo communicates different messages.

**Translations are made from Finnish to English by the researcher.*

- In your opinion; which are the most important factors that have supported IBM create logo value and position during the decades?

All the five interviewed managers had a clear view of how the IBM's strong position has been created during past decades and what role the corporate logo has played for external and internal audiences.

B1 considered the organizational culture in a major role in the success of the logo. As the main reasons for maintaining such culture B1 named the training that is offered for all the new employees (for example the sales trainee programs), which makes the adaptation to the corporation easier. The use of logos (*"logon viljely"* in Finnish) in the company's products provided visibility and this was accomplished in IBM's products in the early history widely. This was the best way of advertising when the new, innovative computers and laptops were signed by IBM's logo.

B2 considered that the IBM's position and brand were created with smaller innovations that were at first basically brands of their own, until in the mid-phase of the company's 100 years history the brands created the "giant IBM brand". The situation on the markets helped to create the brand that IBM presents today, since the monopoly situation ("some 90 percent of Information Technology-markets in the 1940-1960's) and early globalization opened world wide visibility for IBM's logo.

B3 gave a list of words that create a brand (trusted, pioneer in its branch, successful on the markets) and mentioned that all of these can be related to IBM. B3 assumed that some of the external opinions and images of IBM might be negative because of its background as an American corporation, but this was not supported by the accomplished question survey.

C1 considered the e-business implementation as a core in the brand creation. IBM renewed its corporate culture as a whole when it started to develop the internet based services, such as banking services. C1 suggested that IBM's role was substantial in the

internet based developments and mentioned this as the success element of the 1990's which helped to strengthen images of the already well known brand.

C2's understanding of the IBM's value was that what at first was based on trust and quality on today's markets would be based on innovations. Corporate communications supporting the brand has always focused on the message the company provides.

The interviewed managers had very similar views of IBM's role on the markets and the kind of images the IBM logo arouses among the competitors and customers.

- How strong is the impact that the logo value has for end customers?

This question was presented to managers B1, B2 and B3 who operate in the business field and that way have a deep understanding of IBM Finland's customers.

B1: "IBM has focused to competitive market with several acquisitions during the years, and nowadays there are basically no IT-products that could not be purchased from IBM or through its partners. By the acquisitions IBM has bought several branded companies which have been brought under IBM's brand. The IBM logo has this way strengthened its status, when well known brands, for example Lotus, are provided under the IBM's stripe logo."

B2: "The brand has been created through the corporation's history, but the "old" brand has carried the company's reputation and image this far. The remarkable changes in the beginning of the 1990's (along the new CEO at the time, Lou Gerstner) have changed the technology company into a service company."

B3: "IBM's has the brand value but outside the technology industry the image is a little bit distant. Beside the company name and the logo not much more than computers are known about the corporation."

The expansion that IBM has accomplished during the years is viewed as a strengthening factor for IBM's logo value. This has also widened the view of the images that the corporation arouses and the managers saw this to strengthen the role of IBM's logo on the markets.

- How do you see the IBM logo's position on the market today? (Compared to competitors)

Both business and communications managers answered to this question since their background in the company gave perspective to the IBM logo's positioning in the markets.

The business professionals were not convinced that the competitive situation on the markets could be a threat for IBM's logo positioning. According to B1, in the industry the competitors come and go but the focus on the operations needs to be held. That is what IBM does. B2 mentioned that in the beginning of the 1990's, when the competitors were struggling with financial problems, IBM increased its market share. B2 added that the long history of IBM provides a stable role and status on the markets and that is one of the reasons why customers find IBM as a trusted company. B3 underlined that IBM does not have one competitor; it has several competitors but divided on separate segments of the core businesses.

IBM's strong role on the markets was raised as a strength towards the competitors by the business professionals and similar replies were received from Talentum's study (see 2.2; Talentum, 2004). Thus the images that the interviewed persons in Talentum's study on IT industry had of IBM and the corporate logo five years ago still exist.

4.3 Current and past logo phases of the three corporations

This subsection will present the case company IBM's, Xerox's and Microsoft's current logos as well as the logo history of each corporation. This comparing will be accomplished in terms of exploring possible existing trends of the changes in the

technology industry and to investigate the reasons behind changing or updating the company logos.

Most of the academic researchers (Chevalier & Mazzalovo, 2004; Van Riel & Van den Ban, 2001) add logos as one of the dimensions in Corporate Visual Identity (CVI) and these elements will be researched in order to learn the advantages of focused graphical design in a company.

4.3.1 IBM

The case company IBM has only one official logo. Multiple versions of logo, like multiple versions of a signature, confuse its meaning and dilute its power.

The first steps for IBM's presence were taken already in the end of the 1880's. Depending on the acquisitions at the time the company operated till 1910 under different names until the name International Business Machines was adopted. For this reason, the earliest logotypes of the company name present different letters and name.

The original name of IBM is *Bundy Manufacturing Company* which was based in New York, United States. The name was changed to *The International Time Recording Company* (ITR) in the late 1880's. The main product line of ITR was mechanical time recorders, which were invented and patented by Willard L. Bundy in 1888. In 1911 ITR was merged into the *Computing-Tabulating-Recording Company*, which can be seen as a forerunner for IBM. The logo presents the three letters shortened from the company name and the shape has similarities with the ITR technology products at the time with the angular and strong exterior (see Appendix 5). The ITR logo can be seen in Figure 10.



Figure 10. The International Time Recording Company (ITR) logo (1888 – 1911)

In 1891 *The Computing Scale Company* was incorporated by E. Canby and O. Ozias. The company's base was the shortly invented computing scale, whose patents Canby and Ozias purchased to the production of commercial sales. As in the previously presented logo of ITR, also the letters of the company name are visible in this logo, although designed in a more circular shape (see Figure 11). This logo was designed to have two colours since the small letter "o" is marked in light blue colour and otherwise the logo is black. Two images that were explored on IBM's website reveal the similarities in shapes between ITR's and The Computing Scale Company's logos and products (see Appendix 5).



Figure 11. The Computing Scale Company logo (1891 – 1911)

In 1911, the merger of the *International Time Recording Company*, the *Computing Scale Company* and the *Tabulating Machine* was directed by Charles R. Flint to a form *Computing-Tabulating-Recording Company (CTR)*. Thomas J. Watson Sr. was named as the general manager of CTR, and he introduced his famous motto "THINK" into the company, which is still IBM's general motto in the 21st century. This logo was a combination of the three companies' previous symbols including familiar letter fonts (see Figure 12).



Figure 12. Computing-Tabulating-Recording Company (CTR) logo (1911 – 1924)

The *Computing-Tabulating-Recording Company* implemented the name *International Business Machines Corporation* in 1924. The CTR-logo was replaced by the words *Business Machines* in a more modern type and Figure 13 presents how the word *International* gathered them together providing the company's interests for operating globally. This was the first logo under the IBM name and it was adopted in use while the entrée to global markets was about to begin. Also, IBM Finland was founded under this logotype in 1936.



Figure 13. International Business Machines logo (1924 – 1947)

IBM's brand image and reputation were used to help the company through the business transition in the late 1940's. While changing the corporation's core business from "punched-card tabulating to computers", also the logotype was changed in 1947. The recognizable "globe" was replaced for the first time with the simple letters IBM. Figure 14 presents the white, simple letter typed logo, which lasted in use for nine years.



Figure 14. IBM logo (1947 – 1956)

Thomas J. Watson, Sr. held his position as a chief executive till the 1950's and just before his death the position was given to his son. Tom Watson, Jr. started a new era with actions and symbols created by a well-known graphic designer Paul Rand. The new logotype can be seen in Figure 15, which with its balanced appearance replaced the former IBM logo.



Figure 15. IBM logo (1956 – 1972)

Figure 16 presents the latest version of IBM's logotype which was published in 1972. The eight striped lettered logo was to replace the earlier solid lettered logo, to provide "speed and dynamism". The IBM logo became one of the most recognized company logos in the world (see Millward Brown, 2008; Interbrand, 2008) and it has remained the same since the 1970's. The design for the latest version was done by Paul Rand (www.ibm.com).



Figure 16. IBM logo (1972 – Present)

In summary, the logo has been changed 4 times since its present name (IBM) was adopted in 1924.

4.3.2 Xerox

Xerox Corporation was founded in 1906 as the “Haloid Company”. The name was changed to Haloid Xerox in 1958 and in 1961 the name was changed again as the Xerox Corporation. Xerox is a document management technology and services company and as the main branch Xerox is focused on the document industry's portfolio, including printing and publishing systems and digital presses (www.xerox.com). The first logo versions are presented in Figure 17.



Figure 17. Xerox logos 1906 – 1948

The first company logos provided *Haloid*-name (Figures 17 & 18). These logos were in use during 1906 – 1947. In 1948 the first logo under the Xerox name was adopted. As Figure 18 shows, the logo colour of the latest logotype was changed from yellow with black background to red (with almost similar black background) already in 1949. In 1958 the company went back using Haloid Xerox name in the logotype, but in 1961 when the company adopted a new name as Xerox Corporation the logotype was also changed to blue, more modern typed logo (Figure 18).



Figure 18. Xerox logos (1949 – 1967)

The latest type of the Xerox Corporation's logo was taken into use in 1961. The colour was changed from blue to red in 1994 (Figure 19) and the logo remained the same with a few updates till year 2008. Only minor changes were made for the logo during this period, for example, adding or removing words "corporation" or "the document company".

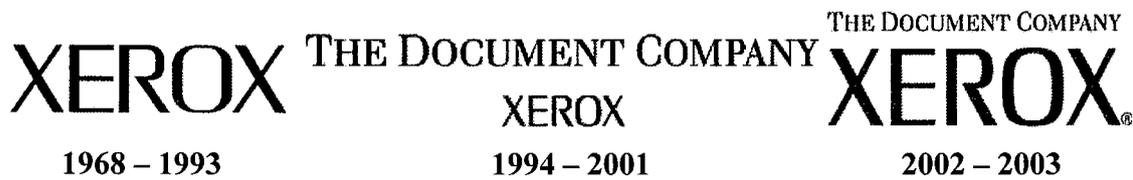


Figure 19. Xerox logos (1968 – 2003)

Through the wide operational changes that were announced in the company in January 2008, also the company logo was updated. According to the Corporation's press release (Xerox, 2008) this new logo was the biggest brand change in its history. The new logo was designed to present the corporation as it is today; the market is focused more on customers than it was before and the X in the middle of the red ball symbolizes the close relation between the company and the customers, partners, industry and innovation".



Figure 20. Xerox logo (2004– Present)

In summary, for the first time the Xerox name was used in the corporate logo in 1948. Since that the logo has been changed for eight times.

4.3.3 Microsoft

Microsoft was founded in 1975 by the CEO Bill Gates. Being a multinational computer technology corporation Microsoft operates globally in developing and manufacturing a wide range of software products for computing devices (www.microsoft.com).

The first Microsoft logo was in use during the company's first years (see Figure 21).

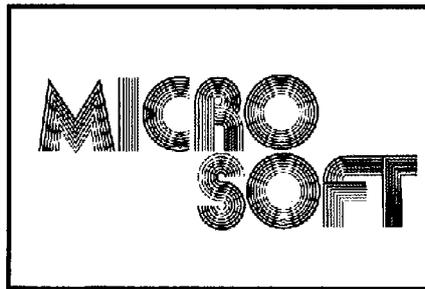


Figure 21. Microsoft logo (1975 – 1980)

The type of writing and the colours were changed for the second, green logo model 5 years later, in 1980 (see Figure 22).



Figure 22. Microsoft logo (1980 – 1987)

In 1987, Microsoft adopted the latest type of the logo (see Figure 23). The logo was designed by Scott Baker. In the Computer Reseller News Magazine March, 1987, "The new logo, in Helvetica italic typeface, has a slash between the o and s to emphasize the "soft" part of the name and convey motion and speed." (www.dinesh.com).

Microsoft

Figure 23. Microsoft logo (1987 – 1994)

During the years 1994-2002 Microsoft used the same logotype (Figure 24), where they also added the slogan “*Where do you want to go today?*”

Microsoft[®]
WHERE DO YOU WANT TO GO TODAY?™

Figure 24. Microsoft logo (1994 – 2002)

After a period with arrant logotype, a new slogan “*Your potential. Our Passion*” was attached to the logo (Figure 25). This current logo was introduced in 2006.

Microsoft[®]
Your potential. Our passion.™

Figure 25. Microsoft logos (2006 – Present)

To summarize, IBM, Xerox and Microsoft have faced several logo changes during their operational histories. The reason for choosing Xerox’s logos as the comparative samples with IBM’s was a similar history to that of the case company. As a traditional technology corporation Xerox’s history leads also back to the beginning of the 1900’s and with its innovative background similar connections could be found between the

corporations' operational and business areas. Microsoft does not present a similar background as IBM and Xerox since the company was founded only in the 1970's, but the company's logo design has already gone through notable changes during the three decades of its existence.

Since IBM was founded in 1889, it has operated under seven different logotypes where as for Xerox the amount is eleven (since 1906). Both corporations were founded through acquisitions and the current name has been adopted some thirty years later. The interest for comparing Microsoft's logo changes occurs in the matter that IBM's latest logo version was adopted in 1972, when Microsoft was only founded and Microsoft has had seven different logos since.

The latest logotypes for the three companies include all elements of the corporate visual identity (CVI) as Melewar and Saunders (2000) present them being at the core of a firm's visual identity: corporate name, symbol and/or logotype, typography, colour and slogan.

All the three companies have shared similar trends in their logo changes during the years. First of all, the logos in each company have been renewed when either internal or external changes on the companies have occurred. In IBM the reasons have been depending of the internal changes, for example, in 1956 when the new CEO (Tom Watson, Jr) was willing to provide changes at IBM also in the company's graphical design. The Xerox logo changes have mainly depended on the company name's changes, until in 2008 Xerox renewed the logo in order to update the corporation's values, business focus and brand.

Similar for all the three companies is the logo development towards a more modern logotype and simpler typography with every change during the years. According to Chevalier and Mazzalovo (2004), the communicative and informative content of logos is maximized by minimizing the signs.

The latest logotypes are simple coloured in each company. According to Pohjola (2003, p. 31), “the colour communicates message to the respondent, and the message might include several meanings depending on rest of the entirety like other elements and other colours”. The use of the colours in logos needs to be chosen carefully depending on the different meanings that colours might have in diverse cultures. These cultural aspects have been taken into account since IBM, Xerox and Microsoft are all global corporations. Each of them has minimized the use of colours in their corporate logos, which makes the logos both easier to identify and also minimizes the risk of offending colour use in foreign cultures.

Although Melewar and Saunders (2000) add slogans as one element of the CVI, Microsoft has been the only one of the three companies who has been using slogans as a part of the logo design. For example, the slogan “*Your Potential. Our passion*” describes the quality and power that Microsoft is willing to offer to its customers. Slogans can emphasize the message that the company intends to communicate with the corporate logo. Anyhow, it seems that traditional companies such as IBM and Xerox, who have already established their positions on the markets, tend to trust in the power of the corporation in communicating the intended message and image for external audiences.

Microsoft does not own as long a background as IBM and Xerox, but in its history of thirty four years the corporate logo has been changed already several times. When Microsoft’s logo history is compared to that of IBM’s, where the logo has remained the same for thirty seven years, it can be noticed that also IBM has been through multiple logo changes during the years until the functional symbol was found and the position on the markets was established.

5 CONCLUSIONS

The purpose of the study was to examine the communicational value that corporation logos have for their internal and external audiences. The case company IBM's logo image and its current logo's prolonged existence were in focus of the research. Even though logos provide a tool for audiences to recognise and value an organisation, the main functions that global corporation's logos evoke in the observers may vary from the corporations' intended purposes.

To research the aspects which are significant in a corporate logo design in order to create a powerful and one of the most recognized logos in the world, IBM's logo was analysed in the study. Studying the literature of corporate logos revealed that company logos are often presented in the same outline as the company brands. Case company IBM's brand value was presented briefly in the study, since the awareness that the corporation has world wide was an important aspect for the study.

According to Pohjola (2003), the colour of a logo is more important factor than the logo shape. The findings of the study showed that even the colour for the internal audiences might value a lot; the understanding in the external audiences is not necessarily the same. The focus group surveys showed that the shape of the logo was more important for external audiences than the colour, since the colour could not be remembered by many focus group members.

Strong symbolic contents and substances appealing to feelings can be related to colours. The use of colours in logos, especially in global corporations, needs to be chosen carefully depending of the different meanings that colours might in diverse cultures have. For example, Pohjola (2003) mentions white as a colour, which in Western parts of the world equalizes cleanness and in some Asian countries white is a colour for death. These matters should be noted in companies' external communications. Some shapes do accentuate the value of the logo colours while some damp it down, but in

order to recognize the logo shape Pohjola (2003) mentions that the used colour helps in measuring sizes of the used surfaces.

The results of the focus group survey showed that the colour and the shape of IBM's logo did not arouse so many comments in external audiences than it did internally. An interesting comment was that the blue colour which is used in the corporate logo was viewed as significant in the internal interviews conducted with IBM's employees. In the focus group surveys the colour was not suggested or connected to the company more often although the corporation is known by the nickname "Big Blue" in the IT industry. The name is annually used in the most important events and themes ("*Suuri Sininen-ilta*", "*Big Blue goes Green*") which explains the fact that during the decades the blue colour has been created as a part of the organization and the corporate culture.

Externally the shape of IBM's logo did not reveal special feelings, although it was meant to be easy to remember since the main letters of the company name are provided in the visual.

According to Van Riel and Van den Ban (2001), the difference in how the respondent understands the intended meanings behind the logo can often vary a lot from the intentions that the company has had in mind. What must kept in mind is that since the focus group survey was accomplished with people who are not IBM's customers, the results in recognizing the corporate logo as well as the business branch were rather good. If IBM's supply was known very well on consumer markets it would be a sign that advertising has been focused to wrong target groups.

The results of the most valuable brands in 2008 were used to provide background data how the brand results are constructed and do the results differ from each other depending of the parties who have published the results. The outcomes in Millward Brown Optimor (2008) and Interbrand's (2008) results differed from each other by the publishing times, since by the latter results were published (in September 2008) the

economy in the United States had already decreased affecting for the brand results in the financial aspects.

Talentum's (2004) study showed that IBM is well known in the technology industry. The results did not vary a lot from the findings of the focus group survey. Although IBM's core business itself is not common outside the technology industry, were the views of IBM very similar between the respondents in the IT industry and the focus group members.

In the semi-structured interviews the strong organization culture was seen as one of the reasons why IBM has achieved its position in the markets. The corporation has faced problems during the years but still it has succeeded in winning them. Often the logo changes depend on the strategies that have been made for the business operations. For example, IBM struggled in managerial and financial problems in the beginning of the 90's and went through major internal changes, but IBM's former CEO Lou Gerstner decided to remain the IBM's logo the same. This was a wise decision since a marketing survey done in 1995 revealed that consumers still believed in the company logo, i.e. in IBM's ability to provide reliable quality products (Gerstner, 2002).

In order to answer the third research question academic literature and research focusing to company's brand value were used. As the logo in most of the literature is added as a part of the Corporate Visual Identity's dimension, do the main research focus in the value that the graphical design as a whole create. Reliable or valid research with a focus on logo values was not found although several writers mentioned the importance of understanding the importance of company's visibility in the terms of company's graphical design and the logotype as a part of it.

Corporate slogans are mentioned as a part of Corporate Visual Identity (for example Van den Bosch, Elving and de Jong, 2006). The visible use of slogans has been accomplished by Microsoft which uses it in the logo. IBM has had the motto "Think!" in use from year 1911 and it is still in use almost a century later. The help of a visible

slogan can be used as any tool in the marketing or advertising. The ideal goal would be in creating the slogan to strengthen the corporate knowledge and to stay in consumers' minds (as a slogan "Just Do It" by Nike). The achievement for this is easier on consumer products where broad advertising is common. In IBM the famous motto has remained in use mainly for internal purposes and occasionally it is used as the theme in marketing campaigns.

On the basis of the results related to the historical development of the logos in the two other companies it seems that functional logos are used as long as the business field remains the same and no remarkable changes are occurring in the corporation. Because the sample is small, this might not be stated as a trend but it seems to be an interesting notion. Once companies have "hit the markets" with one special logo, the changes later on for that are usually just tiny updates, not incredible transformations. Xerox has had the same shape and style for long and the latest update for a rounder form can be associated to the old, familiar logo. The latest logotypes that both Microsoft and Xerox present are modified from already recognizable logos. According to Chevalier and Mazzalovo (2004, p.172), "the new logos are clearer, simpler, and more modern- in short, a more classical visual".

Depending on IBM's long history and its status as a global corporation the logo was recognized by each focus group members and also IBM's main industry and core business were some what known and familiar. Van Riel and Van den Ban (2001) presented how company logos can receive added value when the two conditions are achieved: Stakeholders must remember seeing the logo (correct recognition) and logos must remind the stakeholders of the company name or the brand (recall).

Within the technology industry area, the corporate design in IBM, Xerox and Microsoft's logos is similar to that suggested in the literature (Clow and Baack, 2007):

1. *Logo should be easily recognizable*

-> All of the three corporations have adopted a logo which includes the company names in it which helps in the name recognizing.

2. *Logo should be familiar*

-> After the corporations have started to achieve success on the markets the changes in logotypes have been minor. This has made the logo familiarity easier for current and future customers and other external audiences.

3. *Logo should elicit a consensual meaning in the target market group*

-> All of the corporations have evoked for this by their focused messages to the target groups. The target groups are important especially as all the three companies operate on business-to-business markets.

4. *Logo should evoke positive feelings*

-> The corporate images affect the feelings the logos evoke in the customers, but just as the products are mainly for business-to-business use the feelings might differ from consumer products.

Mainly the corporations operating on business-to-business markets focus their visible communications on specific target groups which is why the online visibility and online communications have become increasingly important for global brands worldwide. (Okazaki, 2005). Such websites and opportunities can be seen as global interactive marketing communications.

IBM Finland focuses its external communications and advertising on IT-technology related magazines and on similar websites as advert banners. These activities reach a very focused target group in the same industry where IBM operates. For example, in Finland the visibility in television and in such external media which is focused general consumers and end users does not exist. When IBM is compared, for example, to Coca Cola, the visibility for consumers varies a lot. As one of the supporting methods for

exploring the research questions will be focused discovering to IBM logo's recognizability in Finland.

5.1 Practical recommendations

The findings of this thesis suggest that the corporate logo can provide various images for the viewers but the knowledge of the company behind the logo is not necessarily strong. The essentiality of providing the company's products or services behind the logo, especially when changes in the company are occurring, is strong if wanted to use the same logo in the future. Minor changes in the logo are suggested since the meaning of the logo should support the theme of a brand, its central abiding message instead of characterizing the product industry (Pohjola, 2003).

Even though IBM has gone through major changes in the corporation during the past 25 years, the traditional logo has remained the same. Also, the corporation's name is old since IBM does not provide machines anymore. Thus, it can be suggested that an update for the current logotype could be useful in order to clarify IBM's current business supply.

Depending on the internal changes IBM's logo would require visibility when even the logos in lap-tops will not be catching the customers' eyes anymore. Most of the focus group members said that the last time they had seen IBM's logo was in the headquarters-building wall at Munkkiniemi. This is a reason to suggest widening the wall logos on each side of the building so that the visibility could be maximized.

5.2 Limitation of the study

This section reviews some limitations of this thesis, which need to be kept in mind when looking at the implications of this thesis. The topic of the thesis was challenging because IBM's global corporate policy limits the use of data and information.

As mentioned in 3.2, IBM's corporation policy limits marketing planning and in the semi-structured interviews it was accurate information to be shared with the interviewees for further knowledge and understanding of the marketing and communications practises. This is the reason why recommendations for further logo use in Finland was not be suggested by the author.

The method for data collection in semi-structured interviews and focus group surveys conducted 5 interviews and 15 focus group members. Since the data for the study was relatively small, the implications made should be considered as suggestive only. Also, IBM is a global corporation and the study could be widened to international research. This study was conducted only locally at IBM Finland.

5.3 Suggestions for further research

This section introduces suggestions for further research. In the future, more research attention could be given to corporate logos' as a part of corporate identity and to the logos' communicational value. Thus, it is significant to keep the logo research separated from brand studies, in order to investigate the value that corporate logos have in internal and external corporate communications.

Further research could concentrate on the logo changes in the companies; when the changes has been done and whether the decisions has been successful. In the present study the collection of corporate logos was focused in three companies, but this amount could be increased in order to investigate logo developments and existing trends in different industries. With these results could be explored the deeper aspects of corporate logos.

By the base of the fact that the author works at IBM Finland, semi-structured interviews with IBM's managers could be arranged easily. Semi-structured interviews at IBM Finland provided valuable data for the study, which is why similar internal interviews are suggested to be considered also in the further research. Internal views differ from

the external ones and since both views are important to understand in order to investigate the logos' communicational value.

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APPENDIX 1

FOCUS GROUP SURVEY ABOUT IBM'S CORPORATE LOGO

KYSELYLOMAKE HELSINGIN KAUPPAKORKEAKOULUN OPINNÄYTETYÖTÄ
VARTEN

*Helsinki School of Economics, International Business Communications: Master's Thesis
Maria Forsström k79111*

Vastajan ikä _____

Sukupuoli _____

Ammatti _____



3.
Tunnistatko yllä olevan logon?

Kyllä _____

Ei _____

Jos vastauksesi oli kyllä:

a. Osaatko kertoa toimialan jolla yritys toimii?

b. Osaatko nimetä kilpailevia yrityksiä?

c. Minkä seuraavista yhdistät yritykseen vahvimmin?
Numeroi vaihtoehdot numeroilla 1-4; 1 Heikoin -> 4 Vahvin

Palvelinratkaisut
(Hardware)

Palveluratkaisut
(Services)

Ohjelmistoratkaisut
(Software)

Konsultointi
(Consulting)

4. Kun näet logon, minkälaisen viestin se kommunikoi sinulle (esimerkiksi kirjainten muoto, tai jääkö logo helposti mieleen)?

5. Mikä värinen logo on?

6. Osaatko kertoa missä yhteydessä näit logon viimeksi?

Kiitos vastauksistasi!

APPENDIX 2

FOCUS GROUP SURVEY ABOUT IBM'S CORPORATE LOGO – VASTAUKSET

Vastaajien ikäjakauma 15-64 vuotta

Vastaajien sukupuoli Mies 5 kpl
Nainen 10 kpl

Vastaajan ammatti

- Kokki
- Yksityisyrittäjä
- Parturi-kampaaja
- Lakimies
- Lääkäri
- Business Consultant
- Eläkeläinen
- Yksityisyrittäjä
- Sairaanhoitaja
- Juristi
- Tuotepäällikkö (Metallintyöstökoneet)
- Konemestari
- Opiskelija
- Konsultti
- Opiskelija

3.1 Tunnistatko yllä olevan logon?

Kyllä 15 kpl

Ei 0 kpl

Jos vastauksesi oli kyllä:

3.2 Osaatko kertoa toimialan jolla yritys toimii?

- En osaa sanoa
- Tietotekniikka
- Tietotekniikka-alan yritys
- IT-ala, markkinointi
- Toimittaa IT-alan tuotteita, palveluita ja ratkaisuja kuluttaja- sekä yritysmarkkinoille
- IT-palvelutarjonta
- Tietotekniikka
- Tietokoneet – tietojärjestelmät
- Teknologia
- Tietokoneet, ohjelmistot
- Tietotekniikkaa, nykyisin kai muutakin toimintaa. Palvelujen/palvelimien tarjoaja
- IT-ala
- Tietokoneet

- En osaa sanoa
- Tietotekniikka ala

3.3 Osaatko nimetä kilpailevia yrityksiä?

- Rank Xerox
- Apple, Toshiba, Tietoenator
- Microsoft, Apple
- HP, Nokia, Ericsson
- Hewlett-Packard, Apple
- HP, Dell, Xerox, Cisco
- Microsoft, Oracle (ohjelmistot), HP, Dell, Lenovo, FujitsuSiemens (palvelimet)
- HP, Nokia
- Xerox
- HP, Siemens
- En osaa sanoa
- HP, Dell
- Siemens
- Nokia
- Oracle

3.4 Minkä seuraavista yhdistät yritykseen vahvimmin?

Numeroi vaihtoehdot numeroilla 1-4; 1 Heikoin -> 4 Vahvin

Palvelinratkaisut

(Hardware)

Palveluratkaisut

(Services)

Ohjelmistoratkaisut

(Software)

Konsultointi

(Consulting)

3. Kun näet logon, minkälaisen viestin se kommunikoi sinulle (esimerkiksi kirjainten muoto, tai jääkö logo helposti mieleen)?

- Dynaaminen
- Viestii tietotekniikasta, logo jää mieleen helposti
- Paksut kirjaimet, raidat. Kuin olisi silppurin läpi mennyt
- Logo jäänyt mieleen sillä ollut muuttumaton pitkän aikaa. Piti ehkä paikkansa silloin kun IBM vielä myi tietokoneita, toimintahan taitaa olla laaja-alaisempaa nykyisin.
- Vanha logo – laajasti tunnettu
- Logo jää hyvin helposti mieleen, se on lyhyt ja ytimekäs muodoltaan ja kahdella konsonantillaan
- Vanhimpia tämän alan toimijoita mitä itse tiedän, tuttu logo, herättää mielessäni luotettavuutta
- Ei kovin mielenkiintoinen, ehkä vanhanaikainen
- Jää hyvin mieleen
- Mieleenpaimuva
- Ei jää mieleen

- *En tiedä*
- *Vanha*
- *Tunnettuus*
- *Ei mielipidettä*

4. Mikä värinen logo on?

- *Sininen*
- *Vaaleanharmaa*
- *Ei aavistusta, mustavalkoinen tulee mieleen*
- *Sininen (ehkä myös valkoinen)*
- *Sininen*
- *Valkoiset kirjaimet, musta tausta*
- *Sininen*
- *Valkoinen*
- *Sini-musta*
- *Valkosininen*
- *Sinivalkoinen*
- *Sininen*
- *Musta-sininen*
- *Valkomusta*
- *Harmaa*

5. Osaatko kertoa missä yhteydessä näit logon viimeksi?

- *Munkkiniemen toimitalon seinässä (8 kpl)*
- *Jonkun toimitalon seinässä (henkilö ei muistanut missä maassa)*
- *Etsiessäni toimistolle uusia laitteita elektroniikkaliikkeessä (Henkilö asuu Ranskassa)*
- *Töissä (henkilö toimii juristina teollisuusalan yrityksessä)*
- *Tietokoneessa (2 kpl)*
- *Ulkomailla (2kpl)*

Kiitos vastauksistasi!

APPENDIX 3

INTERNAL INTERVIEWS AT IBM FINLAND: THEMES FOR QUESTIONS

1. What is your job history at IBM?

- *How long worked for the company?*
- *In which IBM's units and positions worked during the years?*

(For persons 1-3, Communications professionals)

2. Could you name the main (external) communication channels used in IBM Finland?

2.1. IBM's current eight striped logo (1972-present) is one of the most valuable brands in the world (on a separate sheet the brand results of Millward Brown Optimor 2008)

- *In your opinion; which are the most important factors that have supported IBM to create such brand value during the decades?*

- *According to the logo conspicuousness; have IBM changed its main communication channels during the years*

2.2. What would name as the opportunities and threats for IBM's logo value in today's business?

(For persons 4-5, Business Professionals)

2.3 IBM's current eight striped logo (1972-present) is one of the most valuable brands in the world (on a separate sheet the Millward Brown Optimor 2008 brand results)

- *In your opinion; which are the most important factors that have supported IBM to create logo value and position during the decades?*

- *How strong is the impact that the logo value has for end customers?*

- *How do you see the IBM logo's position on the market today? (Compared to competitors such as HP/Dell)*

Question to all:

3. Do you think that after almost 40 years the logo still communicates the same message of the company for external audiences even though they have been several changes inside the company since 1972?

- *Does the IBM logo get confused with sub-brands (Lenovo), or does it support the smaller brands?*



1888 – 1911; 1891 – 1911; 1911 – 1924; 1924 – 1947; 1947 – 1956; 1956 – 1972; 1972 Present

APPENDIX 4

International Business Machines Corporation Segment Data in 2008

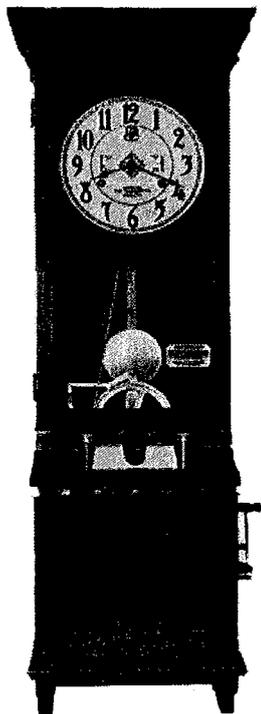
Retrieved from: <http://www.ibm.com/investor/4q08/press.phtml> (06.02.2009)

INTERNATIONAL BUSINESS MACHINES CORPORATION SEGMENT DATA					
TWELVE-MONTHS 2008					
(Dollars in millions)	Revenue		Total	Pre-tax Income (Loss) From Continuing Operations	Pre-tax Margin
	External	Internal			
SEGMENTS					
Global Technology Services	\$39,264	\$1,546	\$40,810	\$4,607	11.3%
Y-T-Y Change	8.8%	-5.5%	8.1%	29.5%	
Global Business Services	19,628	1,044	20,671	2,681	13.0%
Y-T-Y Change	8.8%	-12.5%	7.5%	29.9%	
Systems and Technology	19,287	882	20,169	1,550	7.7%
Y-T-Y Change	-9.5%	-11.7%	-9.6%	-28.0%	
Software	22,089	2,761	24,850	7,075	28.5%
Y-T-Y Change	10.5%	14.3%	10.9%	17.9%	
Global Financing	2,559	1,892	4,451	1,617	36.3%
Y-T-Y Change	2.3%	27.7%	11.7%	16.7%	
TOTAL REPORTABLE SEGMENTS	102,827	8,125	110,951	17,531	15.8%
Y-T-Y Change	5.0%	5.2%	5.0%	15.6%	
Eliminations / Other	803	(8,125)	(7,322)	(815)	
TOTAL IBM CONSOLIDATED	\$103,630	\$0	\$103,630	\$16,715	16.1%
Y-T-Y Change	4.9%	4.9%	15.4%		

APPENDIX 5

Design samples of products and logos

ITR time recorder (1918) and the company logo



Computing Scale Company scale (1890) and the company logo

