The Acid Test of Corporate Identity Management™ (CORPORATE IDENTITY. CORPORATE COMMUNICATION. CORPORATE IMAGE, IDEAL IDENTITY. CONCE....

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2 authors:

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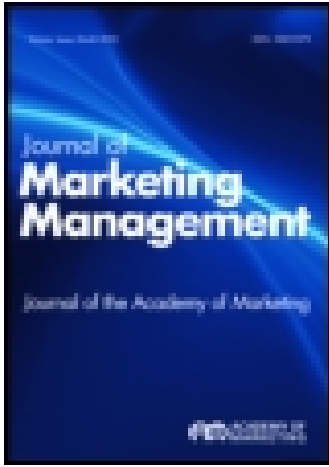HIGHER EDUCATION/UNIVERSITY CORPORATE BRANDING View project

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The Acid Test of Corporate Identity Management™

John M. T. Balmer & Guillaume B. Soenen
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John M. T. Balmer[1] and Guillaume B. Soenen[2]

International Centre for Corporate Identity Studies, University of Strathclyde

The Acid Test of Corporate Identity Management™[3]

This article introduces a new approach to corporate identity scholarship and practice entitled "The ACID Test of Corporate Identity Management."™ The researchers undertook empirical research within a major corporate identity consultancy with the objective of evaluating and contrasting the techniques used by the consultancy with the latest developments in corporate identity scholarship. An analysis of the documentary material produced by the UK's top 20 corporate identity consultancies and of the conceptual models of corporate image/corporate identity produced by academics was undertaken. A qualitative research design was adopted, based on in-depth interviews, desk research and content analysis. The research revealed that most corporate identity projects adopted a "vision driven approach". In other words corporate identity strategies were being built around the corporate vision as articulated by an organisation's chief executive and/or board of management. Furthermore, visual identification was used as the primary vehicle to effect a change in the organisation's identity. The analysis of the documentary material of twenty corporate identity consultancies revealed that this vision driven approach was common across the industry. This finding is at variance with the latest developments in corporate identity research and scholarship which acknowledges that a variety of identity strategies are required in order to meet the various identity problems faced by organisations. It became clear that there was scope for a method which could help to (a) identify weaknesses with an organisation's identity strategy and management and (b) prioritise the type of identity change required in light of the current identity. The researchers found that the corporate identity interface concept introduced by Abratt (1989) and, which has been further

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[1] Director, International Centre for Corporate Identity Studies, Department of Marketing, University of Strathclyde, Glasgow, Scotland, UK

[2] Research Fellow, International Centre for Corporate Identity Studies, Department of Marketing University of Strathclyde, Glasgow, Scotland, UK

[3] ™ Pending. The Acid test of Corporate Identity Management, J. M. T. Balmer 1998

Cont/d ...   *developed by Stuart (1994) and Balmer (1998) could be used as the basis for a new approach to corporate identity consultancy, management and scholarship and this resulted in the creation of "The Acid Test of Corporate Identity Management". This new model affords one means by which senior managers, consultants and scholars might avoid some of the pitfalls which they can face when designing corporate identity change strategies. The article ends by discussing the implications of the ACID Test for corporate identity research, management and consultancy.*

Current Approaches to Corporate Identity Management

Objectives and Structure of the Research

The objective of this study was to evaluate current models and methods used to audit an organisation's corporate identity, and to devise a new approach to corporate identity change programmes. The study had three parts. Part one consisted of an in depth analysis of the corporate identity audit techniques used by a major international corporate identity consultancy[4] (consultancy X). Part two consisted of a review of the literature including an analysis of existing audit techniques and of the emerging theory relating to corporate identity interfaces. Part three was a comparison of the findings of Part one and Part two of the project, which led to the designing of a new approach to corporate identity change programmes entitled, **'The ACID Test of corporate   identity management'**. Exhibit 1 shows the structure of the research in diagrammatic form:
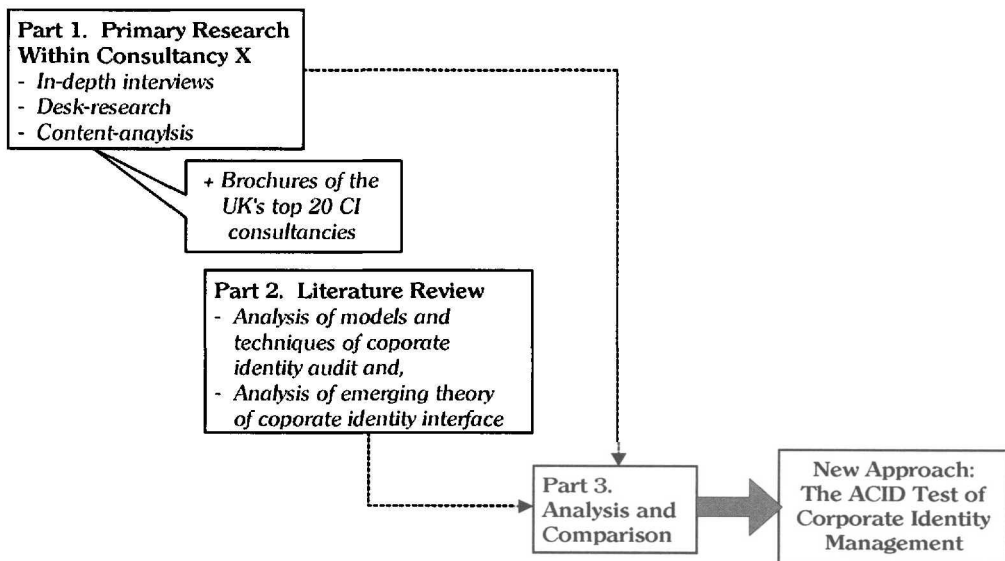

Exhibit 1: Structure of the Research

[4] This consultancy will be referred to as "Consultancy X" throughout this article.

Part One of the Research: Primary Research Within Consultancy X

Part one of the research took place in the London office of a major international identity consultancy (consultancy X) over a two week period. The objective of stage one of the project was as follows: *"to understand, record, explain and evaluate the main methodologies used within consultancy X for conducting a corporate identity audit".*

What was done

During the first week of the project documentary material produced by Consultancy X was analysed. This encompassed the examination of 37 case histories relating to various identity projects, twenty five internal documents and a review of commercial reports. In addition, the brochures of the UK's top 20 corporate identity consultancies were examined in order to ascertain whether individual consultancies offered a distinct approach.

The desk research was followed by seventeen, in-depth, interviews which took place during the second week of the project. The interviewees were selected on the basis that:

1. *They reflected the range of staff who are involved in corporate identity change projects (strategic-planners, marketers, graphic designers)*
2. *They reflected the various job functions within the organisation (founder and chairman, chief executive, directors, senior consultants, consultants and support personnel)*
3. *They involved a cross-section of personnel who had worked in other corporate identity consultancies and thus had exposure to different type of approaches as used by other identity consultants.*

How it was Done

Each interview lasted approximately for one hour and took place in the presence of both researchers. For the main, the lead researcher conducted the interview whilst his research assistant took notes. Each interview was recorded so that the interview notes could be cross checked. Interviews were based on open questions and respondents were encouraged to discuss issues that had not been previously identified by the researchers. The topic guide used as a basis for the interviews focused on issues such as:

- *"How do you reveal an organisation's identity?",*
- *"What do you look at?",*
- *"What methods of data collection do you use?",*
- *"Have you ever used a different approach? If so When? How/ and Why?",*
- *"Do you know of other consultancies who use a different approach?"*

The researchers adopted a qualitative research design, which is appropriate when seeking "to describe, decode, translate and otherwise come to terms with the meaning, not the frequency, of certain more or less naturally occurring

phenomena in the social world" (Van Maanen, 1983: 9). The interviews and documentary evidences were analysed using content analysis, which can be explained as "the process of identifying, coding and categorising the primary patterns of data." (Patton, 1990: 381). The investigation focused on the processes of corporate identity audit used within the consultancy. The researchers started the coding process using cross-interview analysis; that is for each research question answers from different people were grouped. However, as the analysis progressed, it became apparent that individuals within the consultancy were using different processes. Therefore, it became necessary to use case-analysis; that is a separate report was written for each individual and formed the unit of analysis. Diagrams were used to map the approaches used by each individual. These diagrams were then cross-analysed to derive a taxonomy of corporate identity change programs. Sensitising concepts were used (i.e. labels brought by the researchers to the data), but whenever possible, indigenous concepts were preferred (i.e. labels or terms used by the respondents themselves).

Findings of Part 1 of the Research

The above procedures resulted in seven methodological approaches used within consultancy X being identified. The seven methodologies are summarised in exhibit 2.

Exhibit 2: The 7 Methodological Approach to CI Audit Used Within Consultancy X

1. *The 'Official Methodology': Consultancy X espoused theoretical framework, used during presentations to clients.*
2. *Visual Identity Programme: the process adopted for most programmes which focused systematically on the delivery of a new visual identity.*
3. *Strategic Visual Identity Programme: a relatively new approach drawing on strategic planning adopted by consultancy X's most senior executives, which encompasses the wider organisational implications of corporate identity.*
4. *'The Positioning Pack': a recently developed theoretical framework, highly structured, which fuses strategic planning with corporate identity management. The focus is on brand positioning.*
5. *'Framework for Imagination': an isolated case where approach 4 described above was put into practice. This approach distinguishes itself by a greater flexibility in the visual identity management system put in place as a result of the programme, i.e. the main thrust of the programme was the "spirit" of the new identity rather than strict design implementation rules.*
6. *'Consultancy X Experience': based on a long-term co-operation with the client, this approach is essentially design focused. The design work goes beyond the conventional and includes sounds and textures (i.e. a "full sensory experience").*

Cont/d...

Exhibit 2. Cont/d ...

7. *The Designers' Perspective: an ad-hoc process used by some designers in parallel to the approach followed by consultants, which took into account the personality of the client, its history and environmental conditions such as the customers unanswered expectations.*

(NB: the ' ' denotes a label used by the respondents themselves)

The main finding from the analysis was that most approaches were "vision-driven", and the analysis of the documents produced by other consultancies confirmed that this vision-driven approach was broadly followed by other consultancies. In other words, both in consultancy X and in other consultancies corporate identity programmes were being built around the vision, or identity "desired" by the chief executive and/or management board of the client organisation. With this approach the main task of the consultant was to clarify the vision of the chief executive, and then to translate it into a new visual identity. An unexpected finding was that in parallel to the methodological approach used to reveal a client's corporate identity, consultants carried out a series of activities destined to manage the relationships with the clients. These activities were not formalised into an overt process, rather, they were performed on an add-hoc basis and rested on personal initiative.

Part Two of the Research: Literature Review

The authors used the existing literature reviews undertaken by Kennedy (1977), Abratt (1989), van Riel (1995), van Riel and Balmer (1997) and Balmer (1998). The review of the literature undertaken as part of stage two of the research had the objective of:

i. *Identifying the various audit techniques used to reveal an organisation's identity,*

ii. *Defining the component parts of an organisation's identity, and*

iii. *Reviewing the emerging theory with regard to corporate identity interfaces.*

i. Corporate Identity Audit Techniques

The authors identified thirteen models and techniques. An unexpected result of the literature review was the realisation that audit techniques and models had four main purposes which are:

(i) *to reveal an organisation's identity (what the organisation is)*

(ii) *to reveal the process of corporate identity and corporate image formation*

(iii) *to reveal the tasks involved in corporate identity management*

(iv) *to reveal weaknesses in the management of an organisation's identity.*

ii. The Corporate Identity Mix and Corporate Identity Management Mix

An analysis of the models revealed that whilst there was a lack of consensus as to the elements constituting a corporate identity, the two elements commonly referred to were (a) management vision and (b) the organisation's core values. It was also found that whereas academics increasingly focused on the intangible and difficult aspects of corporate identity, such as questions of culture, practitioners focused on the more easily grasped elements. It was also found that the available models did not take into account a number of elements which a number of writers concluded were integral to an organisation identity, namely (a) industry's identity, (b) the performance of products and services, (c) the leadership style and nature of the corporate ownership, and (d) corporate behaviour(s).

Objective (ii) also led to a distinction being made between the component parts of the elements forming a corporate identity and the components parts required in the management of an organisation's identity. As such, two distinct mixes were felt to be efficacious. The two corporate identity mixes are shown below, in exhibits 3 and 4.

Exhibit 3: The Corporate Identity Mix
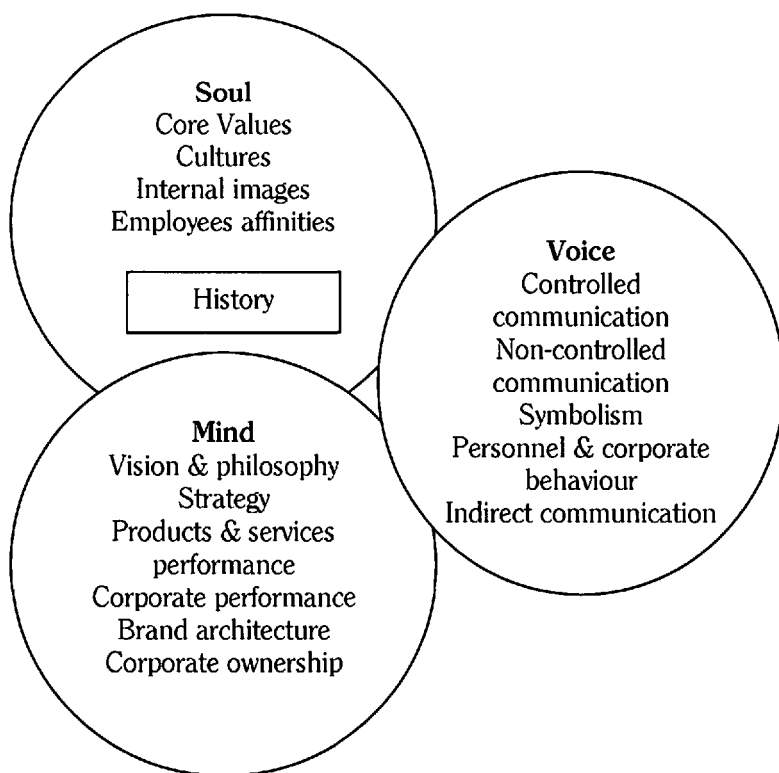
Exhibit 4: The Corporate Identity Management Mix
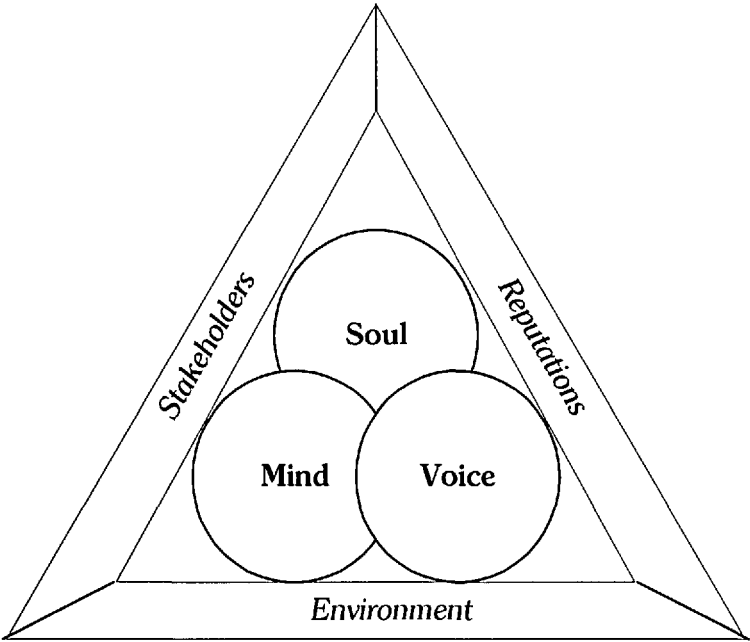
iii. The Interface Concept

Objective (iii) resulted in a review of the corporate identity interface concept. Three writers have accorded the interface concept attention over the last decade, namely Abratt (1989), Stuart (1995) and Balmer (1998). Exhibit 5 below reproduces the writers' interpretation of the changing nature of the corporate identity interfaces. The authors conclude that the writings of Abratt (1989) and Stuart (1995) give undue attention to the identity /image interface to the detriment of other interfaces. Whilst Balmer's approach is comprehensive, (in that fifteen interfaces were identified), it was found to be difficult to operationalise.

Exhibit 5: The Nature of the Corporate   Identity / Corporate   Image Interface.

Author	Nature of the interface
Abratt(1989)	identity-Image interface consisting of formal communication
Stuart (1995)	identity-Image interface consisting of marketing communication & personnel communication
Balmer (1998)	Fifteen interfaces providing a comprehensive check list

Part Three of the Research: Analysis and Comparison

At this point the researchers made a comparison between the findings of the primary and secondary data. It was concluded that three broad areas needed to be addressed namely:

1. *To what extent do models/methods of corporate identity audit emphasise the vision-driven approach?*
2. *To what extent do recent developments in the literature support such an approach?*
3. *How does consultancy X's corporate identity mix compare with the corporate identity mixes devised by Birkigt and Stadler (1986) and Balmer and Soenen (1997)?*

The above questions are addressed in detail in the following paragraphs.

1. To what extent do models/methods of corporate identity audit emphasise the vision-driven approach?

The literature revealed that most models of corporate identity, corporate image, and reputation were "vision driven." This can notably be seen in the models of Abratt (1989), Balmer (1995), Dowling (1986, 1993), Gray and Smeltzer (1985), Van Riel (1995) and Van Riel and Balmer (1997). For the main, these models are based on the rationale that corporate identity management consists in communicating the vision of an organisation's founder, chief executive, or management board. The vision driven adopted by most writers on the area tends to follow a similar pattern which is replicated below in exhibit 6.

Exhibit 6: A Schematic Representation of the "Vision-Driven" Approach to Corporate Identity Management.

Basis of Corporate Identity Change — **Translates into** — **Objectives**

Strategic Vision → Behavioural Manifestations / Visual Manifestations / Verbal Manifestations → Positive Corporate Images, and over time, Positive Corporate Reputations
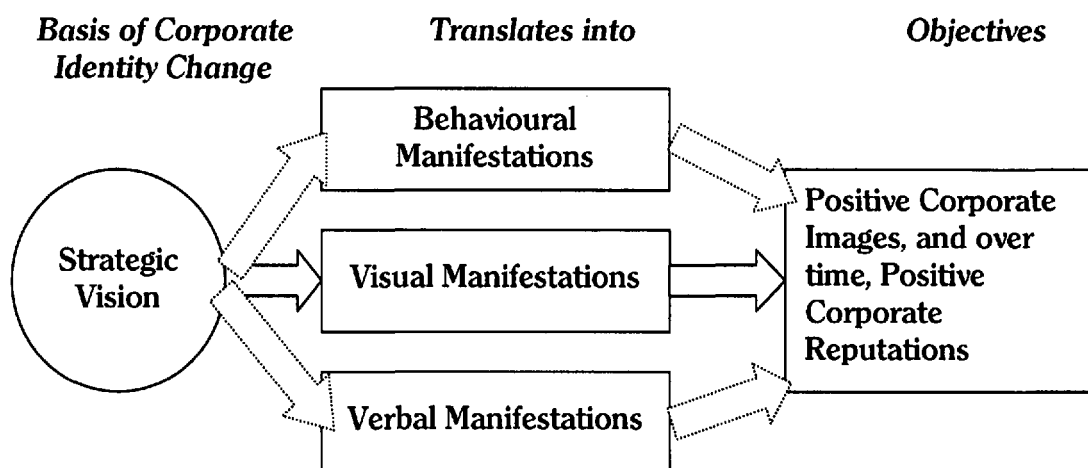
2. To what extent do recent developments in the literature support such an approach?

The analysis of the literature revealed a discrepancy between the above models and the thrust of some of the recent theoretical developments. For example, a number of authors (Albert and Whetten, 1986; Hatch and Schultz, 1997; Balmer and Wilson, 1998) have implicitly emphasised the importance of revealing the actual identity. This is in sharp contrast with the narrowly defined purpose of corporate identity change programme as revealed in a good deal of the literature. Hatch and Schultz, for instance, give the following definition of organisational identity: *"organizational identity refers broadly to what members perceive, feel and think about their organizations".* The same authors reached conclusions which are consistent with the findings of this study, and state that *"corporate identity is conceptualized as a function of leadership and by its focus on the visual".*

The vision-driven approach is also inconsistent with the writings of authors such as Hannebon and Bloker (in Van Riel 1995: 30), Marwick and Fill (1997), Morison (1997) and Gray et al (1998) who have argued that corporate strategy should be a key component of corporate identity change programmes. This link with strategy is encapsulated by the following quote by Morison (1997: 157)

> *"...Much of the apparatus necessary for a fuller understanding of corporate identity issues is already present in the strategic management and organisational theory literature. Indeed, the conscious adoption of an identity system may usefully be thought of as a specialist aspect of organisational design, analogous to the more structural decision that companies take about the creation of divisions or strategic business units, the delegation of authority, the limits to span of control and so forth."*

Other authors focus on the importance of perception and communication in corporate identity change programmes. This can be seen in the importance attached to image research by authors such as Worcester (1986, 1987) and the importance given to corporate communication as espoused by Marguillies (in Van Riel 1997: 30) in the following quote *"...identity means the sum of all the ways a company chooses to identify itself to all its publics".*

The literature review also revealed that there are different approaches to corporate identity change programmes. This has been acknowledged by Balmer (1995) who concluded in his review of the literature that writers attribute seven purposes to corporate identity; namely that it reflects:

1. *A change in corporate strategy*
2. *A new visual identity which reflects a change in corporate strategy*
3. *A change in organisational behaviour including culture*
4. *A new visual identity which reflects a change in organisational behaviour including culture*
5. *A change in corporate communication*

   6. *A visual change reflecting a change in corporate communication*
   7. *A new visual identity reflecting changing tastes in fashion.*

He argued that the above seven approaches should not be seen as mutually exclusive but reveals the scope of corporate identity change programmes. Selecting the appropriate approach is dependant on where there is the greatest weakness. What is clearly implied in Balmer's approach is that an inclusive, integrative approach, which subsumes all seven schools does, *de facto*, constitute an eighth school of thought.

In conclusion, whilst there is a similarity of approach between (a) the vision driven approach as revealed by the primary research conducted within consultancy X, and (b) the conceptual models developed by academics and practitioners, this approach does not reflect the more holistic view of corporate identity as revealed in the recent literature.

3. How does consultancy X's corporate identity mix compare with the corporate identity mixes devised by Birkigt and Stadler (1986) and Balmer and Soenen (1997)?

With regard to the elements which constituted consultancy X's corporate identity mix (that is the elements which are used during a project to reveal a client's corporate identity) the researchers had to distinguish between core elements and non-standard elements. Core elements were those which were covered in most projects while non-standard elements were only found in specific projects. Exhibit 7 illustrates consultancy X's corporate identity mix.

A comparison was then made with two corporate identity mixes and the interface concept: the famous mix designed by Birkigt and Stadler (1986) (see Exhibit 8) and the recently devised corporate identity and corporate identity management mixes by Balmer and Soenen (1997). See Exhibits 9 and 10. The legend against each mix shows which elements of both mixes consultancy X focuses on. What became apparent is that consultancy X focuses on symbolism and on controllable forms of communication. Additional content analysis of the brochures produced by the UK top 20 corporate identity consultancies confirmed that the focus on visual identity was common across the industry. So in relation to Birkigt and Stadler's corporate identity mix consultancy X focuses on symbolism and to a lesser degree on communication, whereas in relation to Balmer and Soenen's mix, consultancy focuses very much on the voice identity (even though all the elements in that particular part of the mix are by no means entirely addressed). A comparison was made with Balmer and Soenen's *second* mix: the corporate identity *management* mix. This is because the aforementioned authors make a distinction between the components that *reveal* an organisation's corporate identity and the broader set of tasks which are required to *manage* a corporate identity. Here it was found that whilst consideration was given to an organisation's diverse stakeholders, comparatively little importance was given to the question of reputation (of the company, industry, country, etc.) and almost no attention was given to the environment.

Exhibit 7: Consultancy X's Corporate Identity Mix

Image Research
(sub-contacted)

NON-STANDARD ELEMENTS
Corporate Culture

CORE ELEMENTS

Optimum
Positioning

Strategy

Visual Identity
Vision-Positioning
Espoused Values
Brand Architecture
Client's Environmental
Analysis

History

Distribution
System

Customer experience

Performance

Employees'
Identification
(sub contracted)
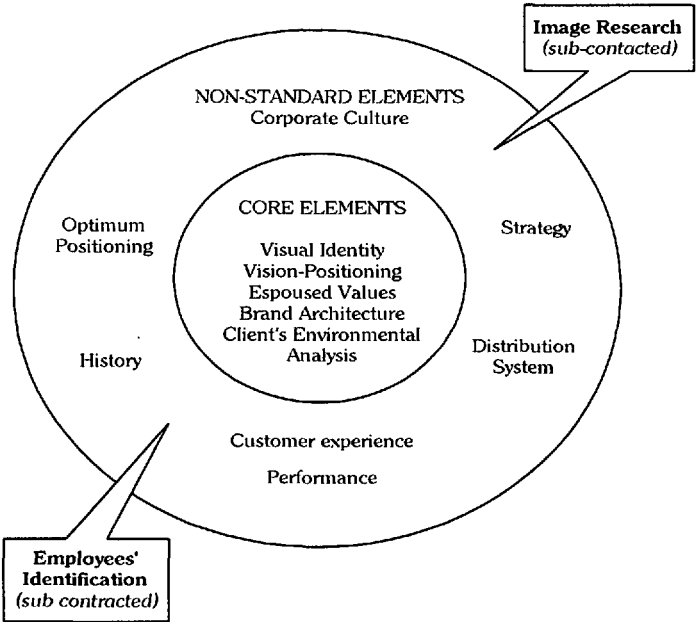
Exhibit 8 : The Corporate Identity Mix (Birkigt and Stadler, 1987)

Image

*strategically
planned*

COMMUNICATION   *Behaviour*

PERSONALITY

SYMBOLISM

Legend: Elements of Consultancy X's mix
CAPITAL = MAIN FOCUS ON CONSULTANCY X'S AUDIT
CAPITAL = AREAS NOT CONSIDERED IN DETAIL
Italics = Areas Overlooked
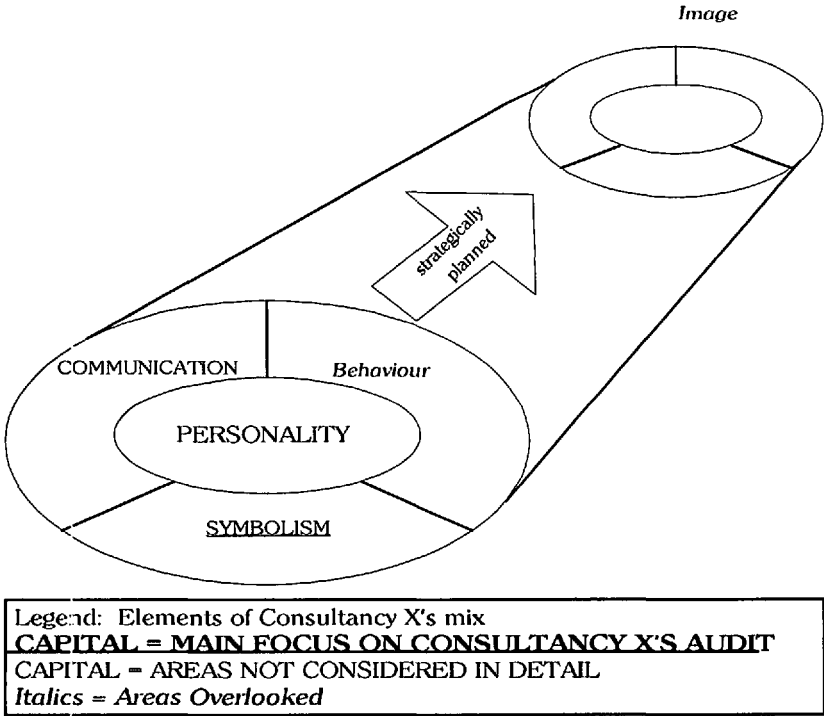
Exhibit 9: The New Corporate Identity Mix (Balmer and Soenen, 1997)

Soul

CORE VALUES

CULTURE

Internal images
Employees affinities

History

VISION &
PHILOSOPHY BRAND
ARCHITECTURE

PRODUCT & SERVICES
PERFORMANCE STRATEGY

Corporate
Performance
Corporate Ownership

MIND

VOICE

SYMBOLISM

CONTROLLABLE
COMMUNICATION

Non-communication
Personnel &
corporate behaviour
Indirect
communication

Legend: Elements of consultancy's X
CAPITAL = MAIN FOCUS OF CONSULTANCY'S AUDIT
CAPITAL   ▬ AREAS NOT CONSIDERED IN DETAIL
Italics   ▬ Areas overlooked

Exhibit 10: The New Corporate Identity Management Mix (Balmer and Soenen, 1997)

STAKEHOLDERS

REPUTATIONS

Soul

MIND   VOICE

Environment

Legend: Elements of constancy X's mix
CAPITAL = MAIN FOCUS OF CONSULTANCY'S X AUDIT

CAPITAL   =   AREAS NOT CONSIDERED IN DETAIL
Italics   =   *Areas overlooked*
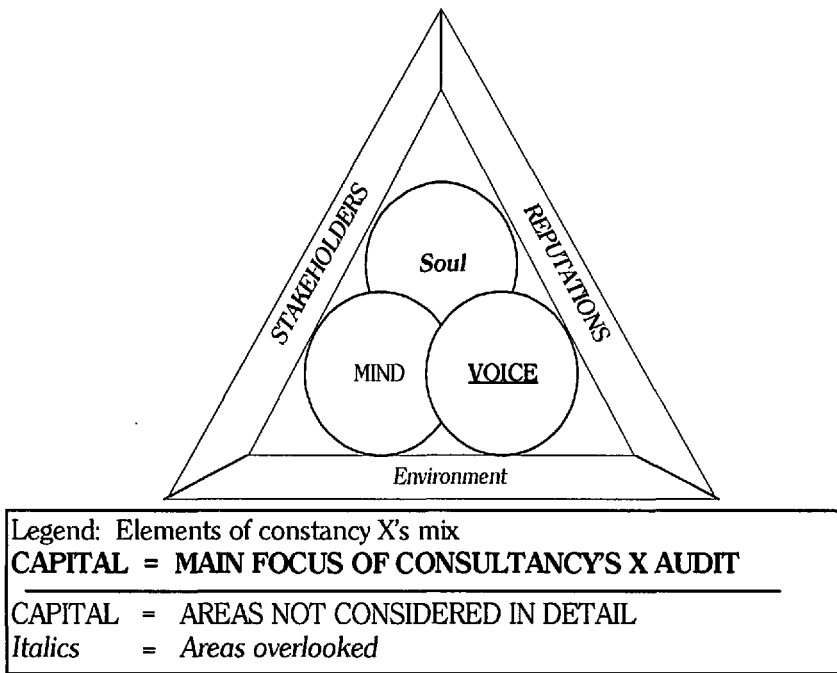
Overall, the research revealed a lack of sophistication on the part of Consultancy X with regard to the items required to manage a strategic change of an organisation's identity. The researchers concluded that the dominant identity change programme undertaken by Consultancy X (and which appears to be replicated by other consultancies) is only *one* approach to corporate identity change programmes. The efficacy of systematically adopting such an approach is, the authors conclude, open to question.

It also became apparent that there was a need to devise a new model which drew on the current literature and which enabled consultants, managers and scholars to identify which type of identity change is most efficacious. The researchers felt that an examination of the interface concept *cf.,* Abratt (1989), Balmer (1998) and Stuart (1994) might provide one solution with regard to devising a new approach capable of circumventing the problems faced by the consultants in dealing with the multi-faceted concept of corporate identity.

A Way Forward: The ACID Test of Corporate Identity Management

This section presents a new approach to corporate identity consultancy and management which is based on the findings of the primary research undertaken within consultancy X and a reworking of Balmer's fifteen corporate identity interfaces (Balmer, 1998). In designing the new approach to corporate identity consultancy and management, the lead researcher established seven criteria:

i. *It should be innovative and reflect cutting edge developments with regard to corporate identity research and scholarship.*
ii. *It should be capable of being operationalised by consultants.*
iii. *It should be capable of improving current best practices in relation to corporate identity consultancy and management.*
iv. *It should bring objectivity to corporate identity consultancy and management.*
v. *It should assist in the evaluation of corporate identity programmes and management.*
vi. *It should be memorable.*
vii. *It should be simple*

The first section outlines the assumptions which underpin the ACID Test of corporate identity management, and how it has been derived.

Foundations of the ACID Test

A comparison between (a) the findings of the research undertaken within consultancy X and of the review of the conceptual models of corporate image / corporate identity management, and (b) the latest developments in corporate identity scholarship, showed there to be a dichotomy. On the one hand, recent developments in the literature tend to focus on the question "What is an organisation's actual corporate identity?" whereas Consultancy X's approach and,

it would appear that of other consultancies, together with that underlying most conceptual models appear to be mainly concerned with addressing the question "How do we communicate an organisation's desired corporate identity ?" Thus, after a good deal of reflection the researchers concluded that an entirely new approach was required in order to reconcile these divergent approaches to corporate identity consultancy and management.

Such a new approach has the potential to shift corporate identity consultancy, management and scholarship from being merely a reactive and tactical approach, to a more proactive and strategically based management discipline. The former approach regards corporate identity as essentially a communication-led discipline grounded in graphic design. The later is strategic in nature and is a multidisciplinary approach. This reflects the approach advocated by Balmer (1995) and Gray et al (1998). This raises fundamental questions relating to the nature of corporate identity . If corporate identity is defined within the confines of the former approach, encapsulated as follows by Dowling *"the visual identity mix comprises the company's name, its logo or symbol, the colour scheme and type-fount"* (1994), then the ACID Test is too broad an approach. However, if corporate identity is defined as encompassing the "Soul, "Mind" and "Voice" of an organisation (see Exhibit 3) and delineates "what an organisation is" (Balmer, 1995), or "is a set of interdependent characteristics of the organisation which gives it specificity, stability and coherence" (Larçon and Reitter, 1979) then the ACID Test becomes a benchmark against which corporate identity management practices can be checked.

With the ACID test approach it is recommended that consultants and managers differentiate between four types of identity. These are:

- **The Actual Identity:** *what the organisation is,*
- **The Communicated Identity:** *how the organisation is perceived by its publics and how the organisation communicates,*
- **The Ideal Identity:** *the optimum positioning of the organisation in its market or markets taking cognisance of its strengths and abilities in addition to environmental considerations,*
- **The Desired identity:** *the identity which the chief executive and management board wish to acquire.*

The acme of corporate identity management is achieving a dynamic congruency between the four types of identity. Where gaps occur then corrective action is required. These gaps may be identified by consultants by using the ACID Test. In this regard the ACID Test would appear to make a significant advance in relation to corporate identity interface theory. By using the ACID Test the researchers are of the view that senior managers and consultants are forced to confront fundamental questions relating to:

(a) *the focus of the organisation, i.e. its overall direction and raison d'être,*
(b) *the appropriateness of existing corporate   identity management policies,*

(c) the type and scope of corporate identity change required.

The next section provides a more detailed description of the ACID Test.

The ACID Test: An explanation.

"Acid test - a rigorous and conclusive test to establish worth and value "
(Collins Shorter Dictionary)

The lead researcher and author is of the view that the ACID Test of Corporate Identity Management focuses senior management attention on the appropriateness of the corporate mission and ethos as translated into the corporate identity (the distinct attributes of the organisation). In addition, it forces senior managers to consider many of the key elements which need to be considered when reviewing their corporate identity taking into ccount that an organisation's identity provides a font from which an organisation's long term viability and survival is derived. It was found that the ACID test not only provided a succinct explanation of the objectives of corporate identity management but could also be used as an acronym for the four different types of identity which need to be considered when assessing the type of identity change programme required. The four types of identity are as follows:

Actual Identity
This refers to the values held by the staff and management of the organisation and how these values are concretely manifested. It also includes the type and quality of the products and services offered by the organisation, the performance of the company, the behaviour of employees and corporate behaviours. The Actual identity is, amongst other, shaped by the nature of the corporate ownership, the leadership style of management, the structure of the industry and by the formal organisational structure and management policies.

Communicated Identity
The Communicated Identity is a *dual* concept. *First,* it refers to the corporate reputations held by the organisation among its many stakeholder groups. *Second,* it also includes total corporate communication, which refers to both controllable communication, such as advertising and PR, and non-controllable communication, such as employees discourse, rumours and commentaries made about the organisation in the media. The Communicated Identity is influenced by the reputation of the perceived country of origin of the organisation, the reputation of its industry and in the case of a high public profile organisation by the reputation of its leader(s).

Ideal Identity
This refers to the optimum positioning the organisation could achieve in its market or markets. The Ideal Identity is conceptual and represents the optimal

situation. It is a function of the environment and notably technology, competition, industry trends, consumer values, buying behaviour, social environment. It also depends on the generic identity of the industry in which the organisation is operating.

Desired Identity

This refers to the management vision and the corporate mission of the organisation. The Desired identity lies in the heads and the hearts of the decision makers; those who held position of power within the organisation. Whereas the Ideal identity is a logical construction and has no substance, the Desired Identity lives in the fantasies of the organisation's leaders. Annual reports, corporate missions and business plans may give the appearance of a perfect logic, however, group fantasies and personal fantasies of key individuals are hidden, but powerful realities.

Exhibit 11 shows the ACID Test of corporate identity management and short descriptors of the four types of identity.

Exhibit 11: The ACID Test of Corporate Identity Management™
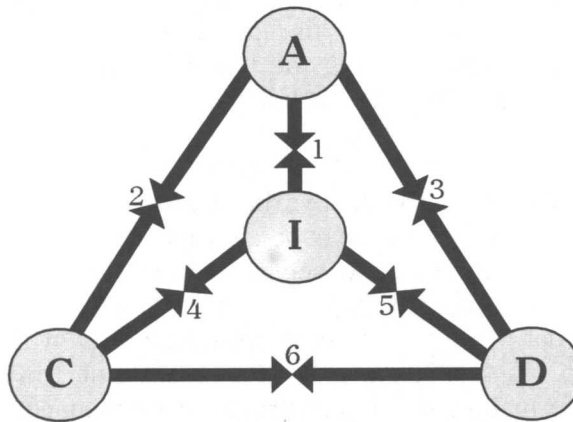
ACTUAL IDENTITY
The reality of the organisation - internal values, behaviours, activities, markets performance, positioning

COMMUNICATED IDENTITY
Corporate Images, and Corporate Reputations, and Total Coporate Communication

IDEAL IDENTITY
The Optimum positioning

DESIRED IDENTITY
Corporate Owners and senior management's vision

The next sections explains how the ACID Test can be used to pilot corporate identity programmes.

The RED ACID Test process - Using the ACID Test: "The 4 + 6 principle"

Using the ACID Test to conducting a corporate identity audit entails a three stages which forms the acronym RED (Reveal, Examine and Diagnose), and can also be referred to *as "The 4+6 principle"*:

1. *Reveal the 4 identities* (taking into account that the communicated identity is a dual concept).
2. *Examine the 6 interfaces*
3. *Diagnose the situation*

Exhibit 12 shows the RED ACID Test process. The three stages are detailed in the following paragraphs.

Exhibit 12: The RED ACID Test Process™[5]

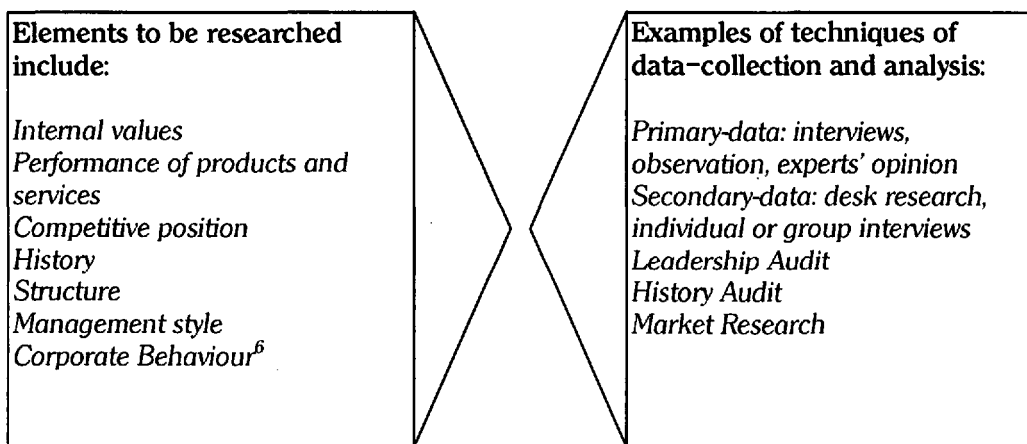| The RED ACID Test process: "The 4+6 Principle" |
| :--- |
| **R**eveal: the 4 Identities |
| (i)   Actual Identity |
| (ii)   Communicated Identity |
| (iii)   Ideal Identity |
| (iv)   Desired Identity |
| **E**xamine: the 6 interfaces |
| (1)   Actual – Ideal? |
| (2)   Actual – Communicaed? |
| (3)   Actual – Desired? |
| (4)   Ideal – Communicated? |
| (5)   Ideal – Desired? |
| (6)   Communicated – Desired? |
| **D**iagnose: |
| (a) The problem |
| (b) Type of change needed |

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[5] ™ The Red Acid Test Process, J. M. T. Balmer 1998.
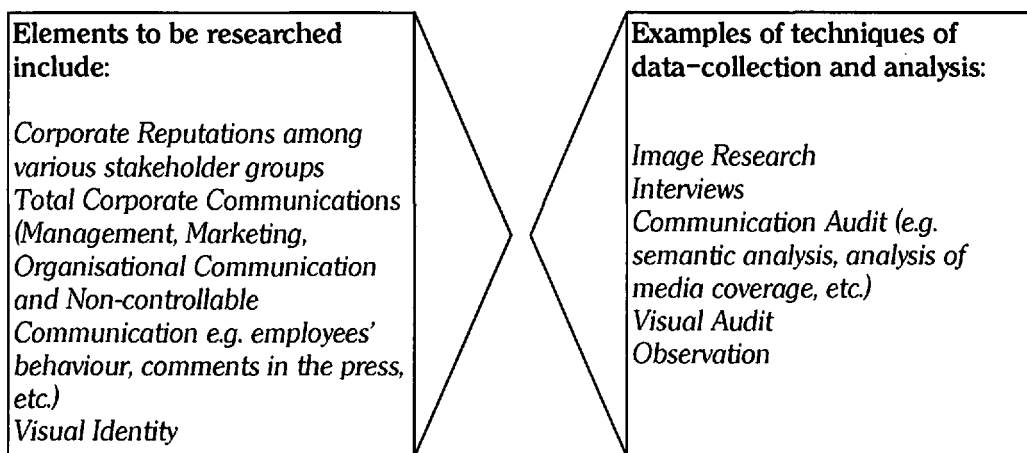
Reveal the 4 Identities

The first stage of the RED ACID Test process consists in revealing the 4 types of identity. The four identities have to be audited, but the depth of each audit will vary according to the size and complexity of the project, the sophistication of the client, the amount of strategic thinking that has gone on before the corporate identity programme on the client's side and the amount of secondary data provided by the client. Alternatively, if there is uncertainty about any of the four identities, or if the available information is insufficient then primary research might be efficacious.

Auditing the 4 identities is best done at the same time, as data gathered for one identity can also be used in the other audits. The main elements which need to be addressed for each of type of identity are detailed below as well as some of the techniques of data-collection and analytic tools which can be used to do so:
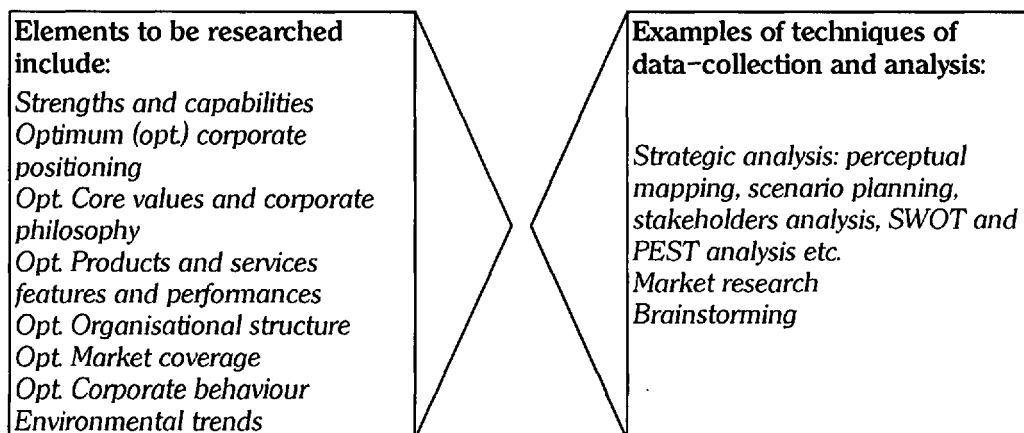
Actual Identity

Elements to be researched include:	**Examples of techniques of data-collection and analysis:**
Internal values *Performance of products and services* *Competitive position* *History* *Structure* *Management style* *Corporate Behaviour[6]*	*Primary-data: interviews, observation, experts' opinion* *Secondary-data: desk research, individual or group interviews* *Leadership Audit* *History Audit* *Market Research*

Communicated Identity

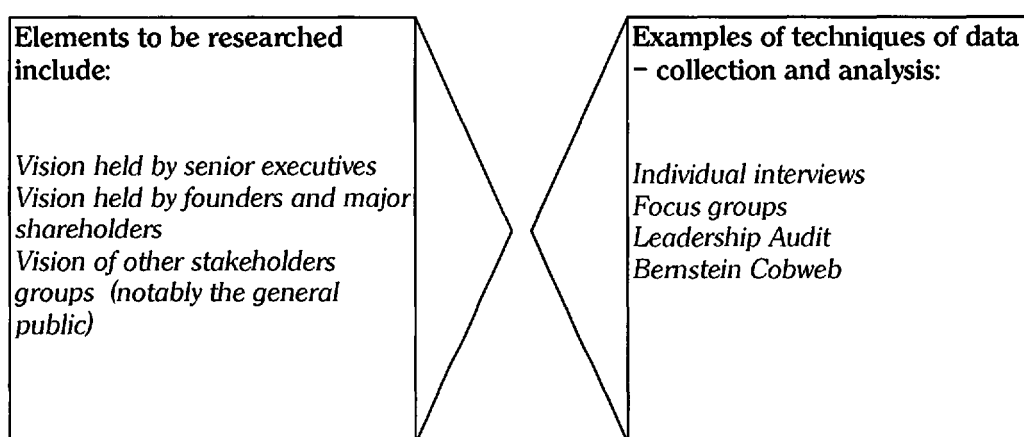| **Elements to be researched include:**	**Examples of techniques of data-collection and analysis:**
Corporate Reputations among various stakeholder groups *Total Corporate Communications (Management, Marketing, Organisational Communication and Non-controllable Communication e.g. employees' behaviour, comments in the press, etc.)* *Visual Identity*	*Image Research* *Interviews* *Communication Audit (e.g. semantic analysis, analysis of media coverage, etc.)* *Visual Audit* *Observation*

[6] Corporate Behaviour refers to the stance adopted on issues such as employees' recruitment, promotion and pay, environmental policies, community programmes, etc.

Ideal Identity

Elements to be researched include:	Examples of techniques of data-collection and analysis:
Strengths and capabilities *Optimum (opt.) corporate positioning* *Opt. Core values and corporate philosophy* *Opt. Products and services features and performances* *Opt. Organisational structure* *Opt. Market coverage* *Opt. Corporate behaviour* *Environmental trends*	*Strategic analysis: perceptual mapping, scenario planning, stakeholders analysis, SWOT and PEST analysis etc.* *Market research* *Brainstorming*

Desired Identity

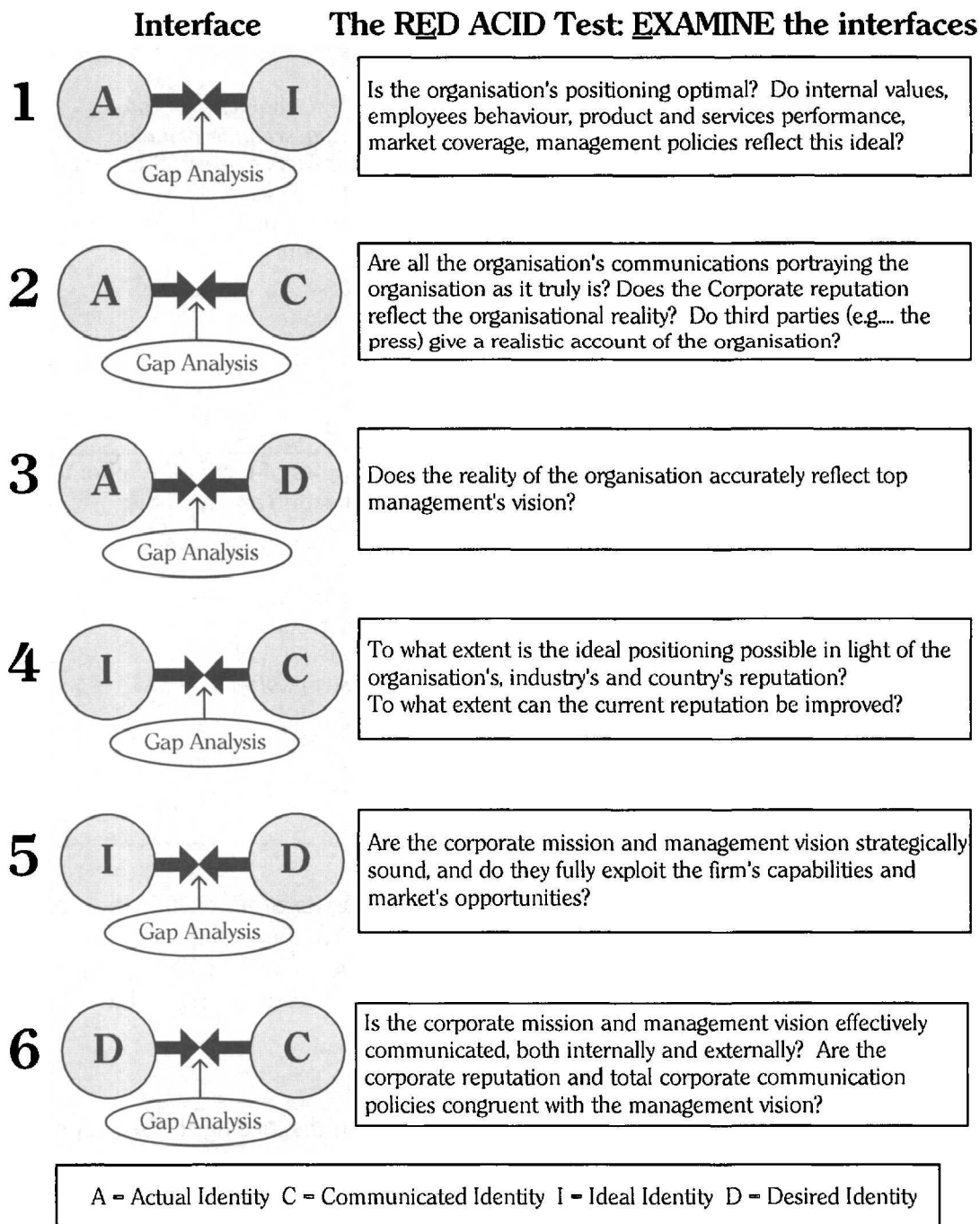| Elements to be researched include:	Examples of techniques of data – collection and analysis:
Vision held by senior executives *Vision held by founders and major shareholders* *Vision of other stakeholders groups (notably the general public)*	*Individual interviews* *Focus groups* *Leadership Audit* *Bernstein Cobweb*

2. Examine the 6 interfaces.

The next stage of the RED ACID Test process consists of an examination of the relationships between the four identities. Exhibit 13 shows the main issues concerned with each of the six interfaces. The interfaces have to be used as a checklist; they represent "moments of truth" or key questions which have to answered by consultants and managers.

3. Diagnose the situation

The final stage of the ACID Test process consists in diagnosing the situation. Five subsequent questions need to be answered by consultants and managers:

1. *Is there a problem (or problems) ?*
2. *What is its (their) nature ?*
3. *What are the implications ?*
4. *What is urgent ? Important ? Desirable ?*
5. *What type of corporate identity change is needed?*

Exhibit 13: The RED ACID Test - Examining The 6 Interfaces

Interface   The RED ACID Test: EXAMINE the interfaces

1 A ⇄ I Gap Analysis

Is the organisation's positioning optimal? Do internal values, employees behaviour, product and services performance, market coverage, management policies reflect this ideal?

2 A ⇄ C Gap Analysis

Are all the organisation's communications portraying the organisation as it truly is? Does the Corporate reputation reflect the organisational reality? Do third parties (e.g.... the press) give a realistic account of the organisation?

3 A ⇄ D Gap Analysis

Does the reality of the organisation accurately reflect top management's vision?

4 I ⇄ C Gap Analysis

To what extent is the ideal positioning possible in light of the organisation's, industry's and country's reputation?
To what extent can the current reputation be improved?

5 I ⇄ D Gap Analysis

Are the corporate mission and management vision strategically sound, and do they fully exploit the firm's capabilities and market's opportunities?

6 D ⇄ C Gap Analysis

Is the corporate mission and management vision effectively communicated, both internally and externally? Are the corporate reputation and total corporate communication policies congruent with the management vision?

A = Actual Identity   C = Communicated Identity   I = Ideal Identity   D = Desired Identity

The purpose of the final stage is to build upon the findings of the four audits and the analysis of the 6 interfaces. At this stage it might be decided that further investigation of individual interfaces is required. Managers and consultants are

now in a position to determine the appropriateness of the current corporate identity management policies and the type and scope of change required. The RED ACID Test also allows managers and consultants to prioritise the required changes and distinguish between what is urgent, important or simply desirable.

The next section will examine the implications of the ACID Test of corporate identity management for scholarship, management and consultancy.

Implications for Scholarship, Management and Consultancy

The ACID Test framework can be used to distinguish between 4 types of corporate identity change programmes on the basis of the number and types of identities the project is dealing with. This typology brings clarity to corporate identity scholarship, consultancy and management as it allows one to distinguish between visual identity programmes and multi-disciplinary programmes. Exhibit 14 below shows a 4-types taxonomy of corporate identity programmes.

Exhibit 14: A Taxonomy of Corporate Identity Programmes

ASPECT(S) OF IDENTITY REQUIRING CHANGE	TYPE OF CORPORATE IDENTITY PROGRAMME
C	Corporate Communication & Visual Identity programme
D C	Corporate Communication & Visual Identity programme
D A C	Large-scale multi-disciplinary Corporate Identity programme
I D A C	Full-scale multi-disciplinary Strategic Corporate Identity

A = Actual Identity
C = Communicated Identity
I = Ideal Identity
D = Desired Identity

The above classifications may help to bring an end to the detrimental semantic

confusion which has surrounded corporate identity scholarship and practice since the early 1970s. Furthermore, the ACID Test forces management to address four questions:

1. *What is the current corporate identity?*
2. *What image is communicated by informal and formal communications (total corporate communication)?*
3. *What would be the ideal identity for the organisation to acquire in light of the organisation's capabilities and in light of the social, economic, political and technological environment?*
4. *What corporate identity would senior managers wish their organisation to have?*

These four questions mirror some of the key arguments existing in the literature on corporate identity, image, reputation, communications and graphic design. For example, addressing question (1) has been advocated by many authors (Abratt, 1989 and Balmer, 1995). Moreover, this most important of questions may be seen to be one of a triumvirate of questions which need to be addressed by senior managers namely, "What is our business?" *Drucker 1955), "What is our image?" (Gray and Smeltzer (1985) and, as Balmer and Stotvig (1997) have argued the third element of the trio is, "What is our identity?". A key feature of an organisation's identity related to the "Soul" part of the identity mix – see Exhibit 3. Recent empirical research *cf.,* Balmer and Wilson (1998) has revealed that employees affinities with an organisation is very complicated and would suggest that an organisation's distinctiveness is derived from a plethora of identities. The aforementioned study questions whether there is such a thing as a single company culture. Question (2) has been argued by authors such as Bernstein (1984), Gray and Balmer (1998), Van Riel (1995) and Worcester (1986, 1997). Question (c), surprisingly, is not dealt with by any of the main authorities in the area and, in part this may be due to the lack of input from the literature on strategy. Question (d) is addressed by many authors in the literature and appears to be the main basis of most corporate identity programmes. However, none of the previous models of corporate identity considered all four questions. Furthermore, unlike previous models of corporate identity or corporate image management, the ACID Test is based on the assumption that the ultimate aim of corporate identity management is business survival; the building and sustaining of a positive reputation (and corporate image) being only a means to an end. Therefore, the articulation of the ACID Test has allowed the authors to uncover some of the gaps in the corporate identity literature.

Finally, the ACID Test is of use for strategic corporate identity consultants since it can be used as a means to differentiate themselves in the corporate identity consultancy market from design agencies. Notably, this may lead to the development of a "branded" approach of corporate identity consultancy services: each type of programme representing a specific type of consultancy service, with distinct requirement in terms of skills and knowledge from the consultants, and

commitment from the clients. The proposed framework has been kept to four variables, in order to make it a practical tool which can be used by managers and corporate identity consultants. The authors are of the view that the ACID test provides a valuable addition to the tool-box of management consultants wishing to adopt a structured approach to "soft management issues". Finally, multi-disciplinary consultancies might find the framework useful in that it cuts across traditional boundaries between organisational behaviour, management, marketing and communication.

In parallel, the ACID Test provides a benchmark to evaluate corporate identity programmes. Consultants and managers can track which of the four types of identity and their 6 interfaces have been looked at and dealt with. The ACID Test has in the authors' opinion therefore the potential to set new standards for corporate identity management, scholarship and consultancy.

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™ (Pending) *The Acid Test of Corporate Identity Management and The Red Acid Test Process. J.M.T. Balmer 1998.*

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