Corporate Reputation Management: An Advertising Perspective

1. Dr R Ranganath, MBA, Ph.D, Associate Professor, Dept. of MBA & Research Centre, East West Institute Of Technology, Bangalore-560091.

2. K. Adarsha, BE, MBA, NET, (Ph.D), Assistant Professor, Dept. of MBA & Research Centre, East West Institute Of Technology, Bangalore-560091.

Introduction

Corporate advertising is the prominent tool of organizational reputation management in the new millennium. Modern corporate houses have invested sizable chunk of their income on image building and reputation management activities. Corporate advertising has also become the most effective tool of modern marketing management in public and private sector undertakings. The growth of economy and communication science and technology has boosted the status of corporate advertising all over the globe. Modern corporate houses have established corporate communication departments which usually manage the corporate advertising activities. In this age of competitive business, customers have become a force to reckon with. The corporate houses have to take note of the changing attitudes of the customers and provide the goods and services which satisfy them. The corporate advertising services are delivered in modern corporate houses with a view to take the goods and services to the doorsteps of the customers and engineer their consent for the consumption of goods and services. The role of advertising in corporate reputation management in the new millennium is primarily discussed in this paper.

Concept of Advertising

Advertising has been defined as the dissemination of information concerning an idea, service or product to compel action in accordance with the intent of the advertiser. The American Marketing Association defined advertising as ‘any paid form of non-personal presentation of idea, goods or service by an identified sponsor.

Root (1994) defines advertising as any paid form of non personal communication by an identified sponsor to promote a product or company. Advertising has been the dominant instrument of mass promotion of goods and services through planned advertising services.
This definition provides about 5 important elements of advertising which include a) advertising is a paid form of communication, b) Advertising is non-personal communication directed at specific target group, c) Advertising precisely promotes favorable ideas regarding the goods and services, d) Advertising is directed at the target group in order to create interest in them about the goods and services; and e) Advertising is issued by an identified sponsor who is interested in generating income through the sale of goods and services.

Shah and D’Souza (2009) identify the objectives of advertising which include – information, persuasion, reminder and reinforcement. The advertising messages generally inform the consumers about the salient features including the availability of goods and services. In the age of competitive business, advertising messages also persuade the customers to consume the goods and services by way of establishing superiority over other goods and services. The advertising messages remained the customers about the ways and means of fulfilling their requirements after purchasing the goods and services. The advertising services also seek to convince current customers that they have made the right choice by reinforcing key benefits and depicting satisfied customers of the brand. Advertising services are made available all over the world since they bestow a sort of authenticity to the goods and services.

Murthy and Bojanna (2010) define: “Advertising is a major way of establishing communication between the manufacturer and the consumer. Advertising acts as a reminder to the existing consumers and attracts new customers as well”. Advertising is beneficial to both the parties namely – advertisers and customers. The advertisers are able to establish direct rapport with the customers and build suitable brand image which enhances the salability of the goods and services. The customers are also given the benefit of education regarding the salient features of the goods and services including the price and availability of the goods and services. Advertising also facilitates economic growth by developing new market segments in the society.

**Role of Advertising**

The brand-building advertising usually focuses on creating product awareness and building brand image. The tactical advertising is usually aimed at marketing problem which can be solved through effective communication. The retail advertising is released by the retailers who
sell the goods and services at grassroots level. The public service advertising is issued for non-profit reasons by the welfare organizations for the purpose of creating public awareness. The corporate advertising is meant for brand building which is issued by the corporate houses with a focus on production, price, utility and so on. The primary demand advertising usually intends to build favorable demand for the goods and services. The selective demand advertising aims at building demand for specific brand. The business to business advertising is directed at institutional customers rather than individual customers. The trade advertising is targeted to channel members like dealers, distributors and retailers. No organization can reach out to the customers and general public’s in the absence of systematic advertising in the present times.

In this age of buyer-oriented economy, advertising has become an important means of promotion of goods and services. The customers are spread across the length and breadth of the world in the age of globalization of economy. Advertising campaigns are required to reach out to the various consumers since it primarily serves a marketing function by helping modern organizations which provide goods and services to the mankind advertising is always directed at a target audience which is a specific segment of the population for whom the goods and services have a definite appeal.

The growth of electronic media including television paved the way for electronic advertising. The introduction of cable television and particularly MTV ushered in a new era of advertising. Marketing through the Internet and other new media opened new frontiers for advertisers and contributed to the ‘dotcom boom’ of the 1990s. Commercial advertising and public service advertising were developed in order to promote commercial goods and services and motivate the people about non-commercial issues such as human rights, environmental protection, gender justice, social justice, political ideology, progressive movements and so on.

Advertising has been considered as an instrument of economic growth since it facilitates better marketing, consumption and profit oriented opportunities. Advertising has become increasingly prevalent in modern society. It occupies public space considerably, observes George Franck (1998). The communications media have also earned sizable chunk of their revenue through advertisements. The critics of advertising have called it as a necessary evil
since it is a new kind of dictatorship which cannot be avoided states Hanno Rauterberg (2008).

Advertising has become one of the major pillars of capitalist economy. McChesney (2008) has noted that advertising is part of the bone marrow of corporate capitalism which cannot function and established global production and distribution networks in its absence. Manfred Knoche (2005) has even gone one step ahead by calling advertising not only a necessary evil but necessary elixir of life for the media business, the economy and capitalism of the whole. Advertising has also become the producer’s weapon in the competition for customer relationship management and trade advertising.

Kalle Lasn (1999) has termed advertising as the most prevalent and toxic of the mental pollutants. Advertising services manufacture new desires and dreams in the minds of the people including women, youth and children according to empirical evidences. The commercial advertisements broadcast in radio and television are also known for greatest access and popularity regardless of time and space. The young generation is also addicted to advertisements which create a dream world based on glorification and reinforcement of certain values and beliefs. Lasch (2001) argues that advertising leads to an overall increase in the consumption in modern society. Advertising not only popularizes the goods and services but promotes consumption as a way of life in reality.

The courts have also seriously taken note of the ill effects of advertising on the mankind as a matter of judicial activism. Several legal restrictions are placed upon the advertising campaigns in Asia, Latin America, Middle East, Europe, America and elsewhere. Several activists have called upon the governments to ensure constant vigilance over the advertisements which mar the health and progress of the mankind as a matter of social responsibility. George Frank (1998) has criticized the role of advertising which is part of ‘mental capitalism’.

Advertising has become a billion–dollar business in the world. The industry is accused of being one of the engines powering a convoluted economic mass production system which promotes consumption, observes Sut Jhully (2009). The critic has cautioned that contemporary advertising would destroyed the world culturally and otherwise if necessary
checks and balances are not ensured by the right thinking in the visuals and organizations. Scholars have also examined the relationship between the price of attention and hidden costs in relation to modern advertising campaigns launched by the capitalist forces. Advertising has become an important instrument of manufacturing the consent of the people more or less making use of associations, emotions and drives dormant in the sub-conscience of people. McChesney (2008) states: “All human needs, relationships and fears – the deepest recesses of the human psyche – become mere means for the expansion of the commodity universe under the force of modern marketing. With the rise to prominence of modern marketing, commercialism-the translation of human relations into commodity relations – although a phenomenon intrinsic to capitalism, has expanded exponentially.

Lasch (1995) argues that advertising takes on the role of a life counselor in matters of attraction since it manufactures a culture of Narcissism. Advertising is practiced by the capitalist on the basis of certain psychological theories about how to create subjects, enabling advertising and marketing to take on a more clearly psychological tinge according to Miller and Rose (2009). The advertisers have realized that the same things can be endowed with different intended meanings for different individuals and groups of people, thereby offering mass produced visions of individualism. Advertising research has focused the attention of the world on the other side of advertising even though the efficiency of the advertising has improved over a period of time. The advertising and marketing firms are heavily criticized by the researchers and critics for the advertising onslaught against the mankind. This development has been termed as an ongoing threat to democratic culture by Giroux (2009).

In the present times, the media have become a branch of the contemporary advertising industry since they are primarily dependent on the advertisers. This dependency has distinct implications for the nature of media content, according to McChesney (2008). James Rorty (1976) comments: “The gargoyle’s mouth is a loudspeaker, powered by the vested interest of a two-billion dollar industry, and backs of that the vested interests of business as a whole, of industry, of finance. It is never silent, it drowns out all other voices and it suffers no rebuke, for it is not the voice of America. The contents of modern advertising truly represent the voice of their master rather than the people including the consumers who have become silent
victims of advertising which is the component of capitalism. The advertising is shaping the values of modern society wherein the stimuli of art, science and religion are progressively expelled to the periphery of American life”.

Advertising has also brought about a new era of commercialization of culture since it is integrated into modern life style and fashion. The sports sector is also grossly affected by the advertising industry which has brought about new environment which is devoid of healthy sports culture. In sports the media are able to generate enormous sales in both circulation and advertising, rights McChesney (2008:10). Sports sponsorship is undertaken by the leading industrial houses which have polluted the environment and destroyed the sportsmanship across the globe. Advertising has become an all pervasive activity which has brought about commercialization of culture, public space and other vital sectors of development. Sut Jhully (2006) have rightly considered advertising as kind of religion which has replaced the human values and aspirations.

**Nature of Corporate Advertising**

Corporate advertising has reduced the young generation to consumers. Critics have noted that corporate advertising has hijacked the human values, progressive movements and democratic culture all over the world. It is also accused of reinforcing stereo types and deliberately promoting sexism, racism, ageism and other factors which have impeded the progress of mankind. The regulations which have prohibited negative advertisements have been neglected by the advertising industry. The campaigns against malicious and negative advertisements have been neglected by the state which is controlled by the money power, muscle power, media power and so on. Progressive mass movements have critically opposed the prevailing sorry state of affairs which have cropped up because of the negative influence of advertising. New regulations are not strictly implemented by the government bodies and law enforcement agencies in the absence of powerful public activism.

The corporate advertising is done over the mass media to promote the company’s image according to Shah and D’Souza (2009). The corporate advertising managers are primarily responsible for the enhancement of brand knowledge and maximization of the brand performance within a marketing environment which is practically beyond their control. The
Corporations advertising is a substantial business activity, with expenditures now exceeding $9 billion according to Belch and Belch (1996). In reality, corporate advertising is a challenging task which is responsible for influencing the behaviors of the consumers in favor of the corporate house, goods and services especially in a competitive business environment. Scholars like Cowles, Garbett and Rothschild have examined the role of corporate advertising in the enhancement of corporate image. Other studies have also primarily dealt with the investment made by the corporate houses on corporate advertising management. Prominent among them include-Haley, Javalgi et al., Schumann, Hathcote and West. Corporate advertising is also primarily responsible for the creation of constructive, positive and meaningful brands according to Javagli et al., Winkleman and Winters. Corporate advertising is consciously undertaken by the corporate houses in order to promote favorable consumers' brand knowledge according to Keller, Loken and Roedder John, MacInnis, Moorman, and Jaworski and Rao and Sieben. These studies have revealed that consumer’s beliefs about and attitudes toward brand ads can directly influence their brand knowledge. Homer, MacKenzie, Lutz, and Belch have explored the role of corporate advertising which is designed to market a specific brand in order to affect consumers' brand knowledge.

The corporate advertising managers are also required to treat the corporate advertising environment as an exogenous factor on the basis of certain models which are related to conceptualization and practical implementation of corporate advertising. These models also enable the advertising managers to integrate relevant research concepts taken from the marketing, psychology, and consumer behavior literatures and derive several testable propositions which practically benefit the corporate houses. Experts have suggested certain norms and guidelines which enhance the success of corporate advertising. They have suggested that advertising elements need not be incorporated in the campaigns and product packaging. Experience reveals that advertising elements must stand alone and may not be combined with any other object such as logos, words, graphics, photos, slogans, numbers, design features, or symbols.
Advertising as a Tool of Corporate Reputation Management

Advertising has become a new way of life especially in the age of economic liberalization. Modern corporations have to reach out to the people through various advertising campaigns in order to enhance the salability of the goods and services manufactured by them. Advertising has also become a prominent instrument of corporate reputation management over a period of time. Commercial advertisers primarily seek to generate increased consumption of their goods and services through systematic branding which involves the repetition of an image or product name in an effort to associate related qualities with the brand in the minds of consumers. Traditional and modern communications media are used to deliver the messages in order to invite the attention of the consumers and persuade them to accept the goods and services manufactured by various public and private corporations. The money spent on corporate advertising has increased considerably over a period of time.

Advanced Corporate Concepts was founded in 1993 by Nigel Brownbill. The company soon developed a reputation as a management consultancy that could deliver sustainable solutions for their clients. Nigel has a proven track record in sustainable corporate development through strategy, transformation, management development and executive coaching. Corporate advertising is the paid use of media that attempts to benefit the reputation of the corporation as a whole rather than promote its specific products or services.

Good corporate advertising acts as an umbrella covering all the products and services associated with a company. Any corporate advertising campaign should be both strategic, looking toward the future of the company and aligned with its mission, and consistent, aligning with the products and services that the company sells. An effective corporate advertising campaign also needs to be part of an overall communication strategy designed to establish and build corporate reputation, presenting the company’s identity in a way that reinforces other company-initiated messages.

Corporate reputation building is indeed a challenging task. According to Haapaniemi and Schwartz, it takes a long time to build a reputation, but it can be destroyed overnight in a single event. Devine states that reputation acts as a gauge, defining and giving an organisation its sense of identity. Hanson and Stuart and Barney concur that corporate
reputations once created are relatively steadfast. Of all bases of differentiation, none is more difficult to duplicate than an organisation’s reputation.

Scholars have identified four business parameters that influence corporate reputation namely—general business management, financial management, corporate marketing and corporate communication. These parameters are widely discussed since they primarily include leadership and management qualities, organisational ethics, shareholder value, organisational sustainability, corporate branding, the marketing mix, public relations and relationships with stakeholders. This is in line with Schreiber who considers that these variables are similar to those used in the yearly Fortune magazine rankings of ‘America’s Most Admired Corporations’.

Corporate reputation is created by a combination of elements within the organisation such as general business management, financial management, corporate marketing and corporate communication, as defined by Ettorre and Dollinger. The general business management has a major impact on corporate reputation, namely leadership and management quality as well as organisational ethics. It is, however, critical to understand that these elements can only be successful in building corporate reputation if they are supported and related to the other general business management issues concerning the reputation of corporate houses. Klein and Grupp and Gaines-Ross have noted that the reputation of the leader of the organisation is integral to the organisation’s reputation and overall success. Studies have also revealed that the leader’s reputation needs to be invested in, managed and leveraged over the long-term to reap enduring benefits, which include attracting more investors, partners, clients, work applicants and trust in corporate decisions. Key elements of the leader’s reputation are credibility, integrity and high-quality communications to internal stakeholders about the direction of the organisation.

Klein reports that financial executives believe that a CEO’s reputation would influence them to buy shares in the organization. Nakra maintains that successful global leaders earn a reputation for credibility among investors by showing profitability to individual and institutional shareholders, maintaining a stable return on investment and nurturing financial growth prospects. Ettorre suggests that intelligent organisations make perception
management part of their senior executive training regime, enabling a greater understanding of corporate branding and resultant corporate reputation. Schreiber argues that executives often misunderstand how reputations are achieved and maintained. As a result, they rely too heavily on corporate advertising, while at the same time not doing enough about reputation-building activities with stakeholders. Donlon asserts that to gain a good corporate reputation, one must not only have integrity at the top, but also be ruthlessly intolerant of those who undermine the integrity and values of the organisation. In a cynical age CEOs should do more than merely ‘walk-the-talk’ and insist on ethical behavior. Communicating the organisation’s message to the public and most importantly, repeating the message to employees, is seen as critical. In reality, the price of a good corporate reputation is eternal vigilance. Pinkham adds that commitment to ethical practices would enable the corporations attract and retain star employees, reduce hostility toward the organisation and help employees make critical business decisions. Schwartz advocates that a corporate house should also build a reservoir of credibility and integrity in order to sustain corporate reputation in the midst of challenges and opportunities. Anon emphasizes that codes of ethics do not merely help employees to do what is right; research has shown that organisations with an ethical decision-maker are more effective and more productive under normal circumstances. Richardson and Bolesh have noted that reputed corporate organisations protect their corporate images by maintaining high standards of practice regardless of other factors. The most admired organisations use a combination of transparency, strong ethics and commitment to quality products and services to build and maintain their reputations. Schreiber observes that corporate reputations are built, maintained and enhanced by several elements, such as being part of the corporate strategy, not merely a public relations or advertising slogan. Corporate houses often fail to achieve their desired reputations because of two primary factors, firstly the failure to identify a clear core competency, relying instead on claims of superiority that have little value to the intended audience and secondly continuing to do the same things that made the organisation successful, despite the fact that these things are no longer relevant to the current situation.
Hall and Barban (1987) have pointed out that corporate houses are required to sustain the institutional reputation since it is the foundation upon which the prosperity of corporate houses is cherished. He has also noted that delivery of people-friendly goods and services and sustenance of public good would constantly safeguard the reputation of corporate houses. O’Connor and Wilson concur that a key reason to set metrics for reputation management is to meet today’s demand for transparency and governance structures. In this context, reputation, of which the public relations practitioner is custodian, is now an organisation’s most valuable and fragile asset.

The corporate houses are also required to identify and incorporate certain healthy elements of financial managements since it is vital for the progress of organizations. Klein asserts that the motivation to rush to reputation management and measurement is evidence that a good reputation can dramatically affect an organisation’s results. Psychologically, an organisation with a solid reputation earns the benefit of the doubt in times of crisis. Good public relations professionals know that a lot is at stake in their work of protecting and enhancing corporate reputation, especially in terms of building and maintaining relationships with stakeholders. Financial management elements are acknowledged to form a major portion of the aspects that influence investment decisions and corporate reputation. Gary and Smeltzer and McNaughton have stated that a favourable reputation is regarded as a prerequisite to success in the global financial marketplace. Shareholders can ultimately give or withhold their approval of management through their votes based on their perception of an organisation’s corporate reputation.

The shareholder value has commendable influence on corporate reputation. Sobol, Farrelly and Taper observe that corporate reputation is a very important asset for an organisation in the present age of competitive business management. According to Paster Donlon, people sometimes confuse financial performance and reputation. Financial performance is very important, but so are values and the manner in which stakeholders are dealt with and communicated to. Corporate image is particularly valuable in terms of an organisation’s ability to raise debt and equity capital. Cooper has rightly pointed out that an organisation’s share price could be ascribed to corporate reputation maintained by the corporate houses.
Antunovich et al. concur that the relationship between corporate reputation and share returns suggests that reputation plays an important long-term role in shaping investment results. Studies have also primarily dealt with the fundamental relationship between organisational sustainability and corporate reputation. Van der Walt et al. have highlighted the fact that modern corporate houses must have competitive advantages over competitors. In today’s interlinked world as described by Mastal, corporate reputation, which is the cumulative perceptions of an organisation by its key stakeholders, is increasingly recognised for its bottom-line impact. In reality, empirical studies have revealed that corporate houses with good reputations achieve higher-than-average profitability compared with their peer groups. Grupp and Gaines-Ross have also pointed out that corporate reputation matters most in the present competitive business environment not only from income generating point of view but also from the sustainable development of corporate houses point of view. Experience has also revealed that corporate reputation becomes increasingly dependent on an organisation’s ability to execute an organisational model. Execution results in a good reputation and correlates highly with strong financial performance and overall success. Therefore a favourable organisation reputation delivers financial payoffs.

The corporate reputation building has tremendous economic value according to Kowalczyk and Pawlish. They have observed that the rivals of the corporate house simply cannot replicate the unique features and intricate processes that produced those reputations. Reputations are therefore a source of competitive advantage. Sustaining that relative advantage requires commitment to the ongoing management of an organisation’s reputation. Davis (2002) note that many existing approaches to the measurement of corporate reputation have been criticised as being overly focused on the financial performance of organisations and on the views of external stakeholders.

There are certain marketing elements which influence corporate reputation according to Bennett and Gabriel and De Chernatony. They have pointed out that reputation is an overall cognitive impression of an organisation based on its corporate branding and various marketing communication tools. A favourable reputation creates expectations of the organisation in terms of promises that are made to stakeholders and confers a
competitive advantage in that it can help the organisation to survive occasional adverse publicity. Mitchell and Urde have commented that the corporate brand must be viewed as both an organising proposition that helps to shape an organisation’s values and culture. As a strategic tool of management it can guide the organisational processes that generate and support value creation which abundantly contributes to corporate reputation. Harris and De Chernatony suggest that corporate branding requires a holistic approach to brand management, in which all members of an organisation behave in accordance with the desired brand image collectively.

Richardson and Bolesh have noted that reputable organisations protect their corporate images by maintaining high standards of practice no matter what the circumstances. The most admired organisations use commitment to quality products and services to build and maintain their reputations. Van der Walt et al. have noted that the price is the only element which produces income to the corporate house since it has the most immediate and direct impact on an organisation’s profitability, which has an influence on corporate reputation. Alsop has rightly argued that product quality, innovation and good value are crucial factors which are associated with the corporate reputation of public and private undertakings.

Marketing communication has become an important tool of projecting the positive and beneficial effects of the goods and services offered by the corporate houses. Van der Walt et al. and Dowling in Christensen and Askegaard have interpreted the marketing communications as an attempt made by the corporate houses to project their ‘ideal self-image’ to both internal and external stakeholders, which will have an impact on corporate reputation. Nakra notes that corporate reputation emanates from all the business activities and communications it undertakes intentionally and unintentionally in the marketplace, such as advertising, promotion, direct marketing, personal selling, trade relations, public relations and community relations. Different stakeholders view a corporation differently because they focus on and look at different parts of the organisation.

Saxton argues that all stakeholders of corporate houses are usually affected by the brand image and ultimately the corporate reputation created through advertising and other marketing communications activities. Miller suggests that one way to help reputation is to deal
effectively with the media in regard to corporate advertising management. The organisation needs to respond while the news is breaking and not after there has been time to decide what is to be said. Mastal notes that an organisation’s message strategy should reflect its corporate position as well as the position it is taking on the issues. Organisations that have strong reputations generally have three or four key messages they recite over and over in all media and to all key stakeholders.

Corporate advertising has considerable impact on the corporate reputation of modern organizations regardless of space and time. Grupp and Gaines-Ross emphasise that corporate communicators should handle the advertising operations which would contribute decisively towards enhancing corporate reputation and driving market value for the goods and services. The corporate leaders and communicators are also required to monitor and evaluate the impact of corporate advertising and find out how communication of corporate and product messages are linked to a change in perceptions and behaviour among their key stakeholders, as well as to financial and shareholder returns. By identifying corporate advertising objectives, tools, techniques and operations should be evaluated through proper qualitative and quantitative research methods. Zyglidopoulos and Phillips suggest that every corporate house must be aware of the different concerns of various stakeholders when choosing a reputation-building strategy vis-à-vis corporate advertising.

Klein, Harris and De Chernatony and Einwiller and Will all agree that a good gauge of an organisation’s reputation considers the views of all its different stakeholders. A good measurement of corporate reputation includes more than investors’ views. De Seguna, Einwiller and Will have commonly stated that in order to implement a system of reputation management it is necessary to ensure that all stakeholders have a realistic image of what they can and cannot expect from an organisation. Creating a coherent perception of an organisation in the minds of its various stakeholders is a major challenge faced by many corporate houses which function under testing and trying times. It is necessary to ensure that the organisation delivers what it promises and only promises to deliver what it can realistically undertake.

The employees of the corporate houses are also required to play the role of cultural ambassadors,
image builders, event managers and crisis managers in the present times. They are also responsible for the cultivation of mutually beneficial relationship between the corporate house and various stakeholders including the customers. Gotsi and Wilson observe that employees and their behaviour represent the reality of the organisation to the clients. The scholars have also suggested that employees of every corporate house should live up to the expectations of the people who matter most in this age of competitiveness. Mastal notes that successful organisations with strong reputations use employees as a means of humanising the organisation and fostering public trust. Klein also endorses the same view since it is especially important that employees’ beliefs and attitudes are quantified. An organisation’s reputation starts within the organisation. Ettorre has observed that the intervention of employees in the process of corporate reputation management makes all the difference since they are the true representatives of the community which sustains the progress of modern corporate houses.

Several scholars have systematically evaluated the relationship between corporate reputation and advertising campaigns. Prominent among them include - Sobol et al., Balmer and Gray, Devine and Einwiller and Will. All of them have pointed out that an organisation’s reputation plays a crucial role when it comes to winning talent. What work aspirants are looking for most is a great organisation that has at its core an appealing culture and inspiring values. Corporate reputation assists in attracting good people and good partners who enable an organisation to remain competitive, whereas a poor reputation can undermine motivation within the organisation. Sullivan, Nakra and Pruzan have identified that employees and other stakeholders are equally important from the point of view of corporate reputation management.

The clients of various corporate houses also play a crucial role in the process of corporate reputation building according to Johnson and Richardson and Bolesh. The scholars have noted that corporate houses should build good reputation which attracts the attention of various clients and other stakeholders through series of effective corporate communication and advertising campaigns. They have further highlighted the need for two-way communication which builds client confidence. Miller, Richardson and Bolesh have clearly
emphasized that there is no magic formula for corporate reputation which enables the corporate houses to maintain and reinforce their credibility, popularity, status and prospects. Scholars have rightly observed that corporate advertising campaigns should be guided by certain healthy parameters and practices which are tested and tried over a period of time.

The corporate houses should also understand the need and importance of corporate social responsibility which enables the organisations to be proactive in protecting their reputation in crisis times as well as to disseminate the organisational ‘story’ to internal and external stakeholders through constructive corporate communication and advertising services. These services should be delivered in a systematic way in order to foster the delicate alignment of strategy, communication and leadership that drives positive reputation in both good and bad times. Corporate advertising services should make the organisational activities highly transparent, accountable, environment friendly and profit oriented. Sobol and Winkleman aptly conclude that modern corporate houses are required build reputation since it plays a crucial role in enhancing the salability of the products in particular and the reputation of the corporate house in general. In today’s interlinked world as described by Mastal corporate reputation is the cumulative perceptions of an organisation by its key audiences who are the pillars of organizational development.

Conclusion

Corporate advertising has become a prominent instrument of organizational management in general and corporate reputation management in particular in modern society. Corporate advertising is primarily concerned with the establishment of favorable image about the products and services delivered by modern corporate houses. Corporate advertising assumes great significance in the process of consumer relationship management. The concept of corporate advertising as a two-way persuasive communication between the organizations and customers is still used by many to define corporate advertising. Of late, corporate advertising scenario has changed remarkably in India consequent on the changes in the global business environment and corresponding transition in the policy locally. In today’s competitive environment, authentic facts and figures need to be generated through systematic evaluation in order to plan and activate corporate advertising practices of public and private
organizations in modern society. To raise the efficiency of the corporate advertising system of corporate houses, its present level of management efficiency has to be assessed and suitable methods and operations should be suggested to increase the same. Hence, a systematic study of the role of advertising in corporate reputation management assumes profound significance in a developing country like India.
References


