The communication effects of art on corporate reputation: An exploratory study

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Abstract

This paper explores how the use of art and the role of the artist impacts on corporate reputation and business success. Drawing on data from two retailers this research finds that the use of art in communication has significant impact on corporate reputation and business success. Data suggest that artwork can be used in four ways: (1) as a basis of the design of merchandise being marketed, (2) as a form of advertising synonymous with the product, and (3) as a method of stimulating PR, controversy and word of mouth in the community and (4) the establishment of a unique identity. It is argued that each of these behaviours has contributed to these firms’ corporate reputations and that in the process emergent goodwill has developed surrounding the artists and their work. Of particular value was the contribution the artists themselves lent to the brand’s identity, image and corporate reputation.

Keywords: Corporate reputation, image, identity, word-of-mouth, WOM
1.0 Introduction

The use of art in communication can potentially improve a brand’s image, corporate image, and corporate reputation, as the following examples illustrate. In 2007, Xerox utilized ‘Blue Dog,’ an artwork by George Rodrigues in its $200 million advertising campaign. Within two months of the advertising campaign, the public’s awareness of Xerox as an ink-jet printer company had increased 100 per cent (IntelliQuest Inc). Absolut vodka, led famously by artist Warhol, is another good example of communications using art. Of Absolut’s communication strategy artist Yuri Gorbachev stated, ‘when fine art is used (in advertising), the quality, strength and feeling of the art transfers to the product, and enhances it. And when an artist is unique, he or she gives uniqueness to the product as well. Art connects emotionally with people. It is less artificial and has a stronger impact’ (Art Business News, December 2011). In the academic literature, Hoffman (2002, p.6) endorses this idea, stating in Absolut’s case ‘it is also about the nature of the artist,’ and that both contribute corporate association benefits to the brand, and thus its reputation. Aspen (2011) argues that the brand contributes to the artist’s establishment of a trademark by positive association with the advertisement.

This paper examines how retail brands use art to form their corporate reputations. While our focus was on understanding the association between use of art in communications, and in building corporate reputation, we also uncovered how the use of art affected word of mouth. Our primary question was: How does a firm leverage artwork to the benefit of its reputation? Data suggest that use of art has had a significant impact on these retailers’ corporate reputations and business success.

2.0 Literature review

Literature on how firms use reputation management to construct and promote positive images is contentious. A large part of the literature views reputation management embedded in the longer-term strategic management aims of the organization, however, little research exists on how firms construct positive images and use their creative reputation to grow successfully. While Fillis (2003), investigates informal methodology amongst arts and crafts organisations and Kottasz, et al. (2008) found that corporate art collections are a powerful tool capable both of attracting clients and developing corporate identity, no research we are aware of has looked at the role of art or the artist in forming a firm’s corporate reputation. Fombrun (1996) defined reputation as the overall estimation of a firm by its stakeholders, which is expressed by the net affective reactions of customers, investors, employees, and the general public. Dowling (2004) maintains that a good corporate reputation in helping set the expectations of stakeholders and competitors, creates an emotional and intellectual bond with employees and target customers, and enables the business to sustain superior profit outcomes over time. Gray and Ballmer (1998) define corporate reputation as the stakeholders’ valuation of a company’s attributes that would almost completely exclude affective components. Schweiger (2004) argues why cognitive components are excluded and Hall (1992) combines cognitive and affective components by determining a company’s reputation consists of the knowledge and the emotions held by individuals. Williams, et al. (2012), determined that reaction to both positive and negative WOM signals play a significant role in reputation formation.

Despande (1999) maintains that brands and their reputation are images created in the head, and in large part formed by ‘what people say.’ Rogerson (2001) established that owing to their reputation, high quality firms have more customers who in turn engage in WOM,
resulting in more customer arrivals and have fewer dissatisfied customers leaving. Hoyer and MacInnis (2001) found WOM as perhaps the most credible, objective and influential form of trust that builds reputation, while Sichtmann’s (2007) found trust in service providers has a significant impact on purchase intention and WOM. Customer-employee interaction also has significant effects (Davies et al. 2010). Walsh et al. (2009), found customer satisfaction and trust both make independent contributions to predicting corporate reputation, which in turn predicts customer loyalty and WOM. Davies et al. (2003) argue that ‘what matters is the actual experience, and the match between it and our expectations. Therefore get both right and a good reputation is guaranteed’ (p.64). Thus, in meeting or exceeding customers’ expectations, customer satisfaction is achieved, WOM is uttered and good reputations are built. Moffitt (1994) determined the organization might have multiple identities. Ballmer and Greyser (2002) in their understanding of multiple identities of the corporation, isolated WOM as a significant component of reputation forming, suggesting a framework of four components: Corporate identity, Corporate branding, Corporate image and reputation, and Total communications; though image and reputation are difficult to separate (Gotsi and Wilson, 2001). Total communications concerns the multifaceted way organizations communicate. This is segmented into controlled stimuli: primary, product performance, organizational and leadership behaviour; secondary, advertising, PR, graphic design, sponsorship; tertiary is less controllable and consists of third party communications, WOM and ‘spin.’ Thus the organisation’s image and reputation result from a constituency of impressions of a company’s behaviour, including WOM which are less within the company’s direct control, a fact that has been recognised by many authors (Moffitt, 1994; Balmer and Greyser, 2002; Balmer, 1999; Rogerson, 2000).

3.0 Methodology

This research takes a case study approach (Yin, 2003) drawing on the interaction between the use of art in communications, word-of-mouth and corporate reputation of two Australian retail organizations. Data for case study 1 come from the Mambo brand, which since the 1980’s has used art to the advantage of its image and corporate reputation. Case study 2 is about the business success of Ken Done Designs Pty that over the last 15 years has had turnovers that exceeded A$40 million per year. Initially a variety of secondary data were collected and analysed, data included reports, press releases, guard books, customer communications, seasonal catalogues and published books. For Ken Done: The Art Of Design: Done; Ken Done’s Paintings: McKenzie; and for Mambo: Art Imitates Life: Golding, and The Mind and Times of Reg Mombassa: Waldren. In a second stage primary data were collected through interviews with the key decision makers of both organizations. Ken Done, principle and artist of Done Designs and Dare Jennings the co-owner and visionary of Mambo. Interviews were purposive and theory-driven, conversational and loosely structured (Rubin and Rubin, 2005) and lasted approximately 90 minutes each. Interviews were tape-recorded and fully transcribed for analysis. An on-going process of data analysis was conducted throughout the research. During this process, Miles and Huberman’s (1994) model of qualitative data analysis was observed using analytical techniques including pattern matching. NVivo software was used both as a data repository and analytical tool. Nodes were created for a number of constructs including, image, identity, word of mouth, and reputation.

4.0 Results

In the examination of the connections between the use of art in advertising, WOM, and corporate reputation, we found similarities, and differences in both case studies. Both
companies saw the market opportunity afforded by the passing of the Vietnam war and draft negatively effecting many of their age. The principals both started their firms in the subsequent period when Australia had won the America’s Cup in the early 1980’s and a new spirit emerged within agency Mojo’s international advertising for Tourism Australia with Paul Hogan, exemplified by the world-wide success of Crocodile Dundee, both helping to redefine Australia and what it was to be Australian. Mambo’s Jennings (Case 1) employed artists fresh from art school, coupling their art with a more rebellious attitude in the booming surf wear market, while Done (Case 2) exploited his personal skills as an advertising agency art director, using bright colours and designs, identifying strongly with Sydney Harbour and its icons for ‘T’ shirts, home wares and women’s clothing, with an emphasis on swim wear.

4.1. Case 1

Mambo’s use of art in building their corporate reputation, arguably deemed an anti-establishment stance, provoked press comment and WOM. Jennings, explained the rebellious nature of the brand, ‘the best compliment I ever had from a journalist said, Mambo was the modern day manifestation of … the Irish larrikin spirit. In a way that pleased me no end, because that is what we grew up with, was that irreverence, the challenging authority which comes with that …the Irish…rebelling against the British, it just sort of carries through…amongst consumers’ (J6.2). Interest was further stimulated in its art images, which were punctuated with what Jennings describes as ‘a kind of intelligent comment’. They were so different they stood out because it hadn’t been seen before. In fact the combination of distinctive art and words was vital to WOM stimulus amongst a more youthful target group, Jennings says, ‘What really got people talking, was because what we did was so weird…nobody had done anything like this before, to take fine art and put it into a way youth could access it. The fact that we did that and did it well by putting the art into a uniquely Australian context, and celebrate ‘Australian’ which resorting to context… I think that is the real image killer… the connection between that and fine art’ (J20.2).

While the major expenditure in its retailing operation, occurred through catalogues, swing tags, and shopping bags, within the communications mix, PR received was a more significant contributor to image and reputation, than advertising per se. In fact, sponsorship of surfing heroes was the main communication expenditure. However brand ambassadors, such as violinist Richard Tognetti were used in catalogues, a somewhat surprising choice, also reflected a provocative tone of voice. Vulgar humour was a part of the art with words mix, and was instrumental in stimulating controversy. Mambo also provoked negative WOM (NWOM). NWOM produced by these groups upset by Mambo’s attitude, reflected positively on the main target audience with PWOM, a paradox Jennings liked to provoke. In some instances the outrage provoked sales that raised money for charity, which amongst some groups also lessened reputational damage. Pop music extended the Mambo franchise amongst Australian youth. Artists Mombassa and Smith as members of Mental As Anything (Mentals to fans), whose music became a soundtrack to a generations’ misbegotten youth. Mambo’s artists, particularly Mombassa, had strong links with art. Demonstrating their influence, their shows were opened by Prime Minister-in-waiting Keating, and ex-Prime Minister Gough Whitlam. Another major art event was the Northern Territory Museum and Art Gallery which toured Australia. A catalogue Mambo: Art Imitates Life was published. An even more resounding endorsement came a consequence of the Surrealist blockbuster with the Art Gallery of New South Wales, an exclusive Mambo artists show. Jennings exclaimed, ‘this was a fantastic moment because suddenly we are up against de Chirico, all the biggies...we were seen in that context overnight…flipped from being a bunch of idiots making schoolboy jokes to being serious artists, with something to say.’
4.2. Case 2

The ability to use merchandise to say something to others was important in both cases. Done’s ‘Art to Wear’ range is testament to underpinning this idea. When Done set out he looked around for products that could carry his imagery and have meaning to the consumer. Thus he stresses the criticality of a point of difference, particularly in the clothing design of the times, and that the design was uniquely Australian was also important. Of this decision to produce ‘T’ shirt designs, his first financial success, Done says, ‘There was nothing you could say ‘I’m wearing a picture of Australia’…nothing that was sophisticated, and bright and enthusiastic about the place’ (KD 4.5). The association with important Australian icons helped propel the Ken Done brand. His images of the Sydney Harbour, the Harbour Bridge, and the Opera House and his artwork used to publicise specific events, also helped leverage the artwork and established recognition and impact of Done’s distinctive style and when applied to garments and home wares was important to getting attention and being talked about. Done enjoyed PWOM from its merchandise output. The success of Done’s ‘Down Under’ label through their expanding outlets also increased the range of products and the availability popularised the ‘Done look’ sought by tourists and Australians alike. Lifestyle editors and magazines were particularly instrumental in providing Done with high levels of coverage. A move into fashion added to the image dimension and its reputation in a new women’s market. In fact, the sheer weight of PR coverage during the 90’s lead to the market WOM jokingly describing the brand as, ‘Over Done’. Done is emphatic about the part the press and journalists gave to the firm during the 80’s and 90’s both for his commissions, and for his business success in general which was talked about, and added to its image and reputation. Acknowledgment from Vogue was important. Done reports journalist Marion von Adlestein, saying, ‘you can hang a Done on yourself or on the wall, there is an integrity to everything he touches… I was pleased with that because, that’s what I tried to do and still try to stand out…it’s quite hard in an area of cliqued tourist product’ (KD12.1/16.1).

Success in business was also manifest in winning significant business awards. Done’s high profile commissions added credibility, WOM and image effects. Being named NSW Father of the Year, receiving UNICEF’s Global ambassadorial crown, further added image and reputational benefits. Done stresses his use of art in communication is about a feeling. Art, contrasted with popular imagery of photography, has a more sustainable, memorable image and is more intriguing, engaging the mind for longer and, more deeply. Done says, ‘an artist’s work lends a product a (certain) uniqueness, it connects emotionally and seems more real, less artificial, and (has) stronger emotional connection… it’s the viewer’s interpretation of how it makes them feel’ (KD25.0). Since the 1980’s Done kept a close association with the world of art, as opposed to his background in design. His participation in art prizes and art shows such as his annual entries in AGNSW’s Archibald Prize, the Sulman, and Wynne prize competitions demonstrates the significance of this exposure. Done says, ‘the fact that the artist is a living person, prepared to compete in important art shows, and open themselves up to critical acclaim, or otherwise, helps to humanize the work...(KD22.2).

5.0 Conclusions

The use of art in communications is beneficial in forming corporate images and reputations. In line with Hall (1992) our data shows that delivery of quality product, customer service, and high levels of customer satisfaction also have a positive effect on the organization’s image and reputation. Both of our cases show that customer satisfaction
amongst the key target groups is high, which has an effect on PWOM. Both firms invested heavily in product quality to ensure the merchandise exceeded customer expectations, and in service quality with anticipated effects on customer satisfaction, PWOM and reputation. The retail experience was an essential element of the total marketing mix. Their employees lived the brand, sales staff employed for their service attitude wore the latest garments. Thus the retail environment together with employees had significant WOM effects for both firms supporting Brown et al.’s (2005) findings. The association between customer service at retail level and product quality is strengthened by the feelings that the use of art triggered amongst customers, increased good reputation, consistent with Davies et al. (2010). Likewise, good reputation increases by the impact and innovation of the graphic imagery on the garments and merchandise, and thus in wearing, increases the customer satisfaction, encouraging PWOM reflecting Brown et al.’s (2005) observations. The use of art imagery in merchandise increased attractiveness to customers, playing a similar role to that of the corporate art collections mentioned by Kottarz et al. (2008). The consumer wearing the garments not only identified with the imagery but broadcast the messages amongst the peer group. The politically charged imagery in Case 1 has created NWOM indeed. However, while offending one group it has reinforced the beliefs held within the closer target audience of the firm triggering PWOM later. This effect has not been previously discussed in literature.

While advertising was limited, PR and WOM exposure had multiple effects beyond consumer awareness and the mission and purpose of the companies on both cases, contributing to leadership confidence vindicating the ideals and beliefs and vision of the leadership itself. The reputation of the magazine in which the articles were featured, as well as the journalist’s PWOM has reflected positively on these firms’ reputation. Further their positive comment has become inculcated into the identity of the brand. In support of Hoffman (2002), personal reputation of the living artists has played a part in PWOM, and the firms’ image and reputation. Both firms employed artists who had significant reputations within the world of art. While Done had a high profile within the wider community, Mambo’s artists have had thriving pop music industry appeal that had implications for WOM extensions into other parallel subcultures. The weight of data pointing to the standing of the artists, and their personal reputation in the art world is significant. That they enjoyed a personal reputation in the public sphere lends more credence to ‘living’ art. This supports the element of humanity, which communicates an emotional feeling, suggesting that because the ‘art has a heart,’ it has had benefits to provoking WOM with benefits to image and corporate reputation, but that the artists’ wider connections are also significant and need to be further explored.

References:


ANZMAC 2013 HERDC Information

For those of us in the ERA cycle, the following information is provided to assist in the submission of your 2013 ANZMAC papers to your research office for ERA classification.

ANZMAC is an E1 conference (with the exclusion of those papers where the authors only submitted an abstract). It has been peer reviewed in a double blind peer review process, and meets the ERA requirements for a refereed conference paper that the conference paper meets the ERA definition of research (section 3.1); research is defined as the creation of new knowledge and/or the use of existing knowledge in a new and creative way so as to generate new concepts, methodologies and understandings.

that the conference paper has been made publicly available by the publication having an ISSN or ISBN;


that the peer review process meets the standard specified in section 5.4.8.7; an acceptable peer review process is one that involves an assessment or review, before publication, of the research output in its entirety by independent, qualified experts. Independent in this context means independent of the author.

All ANZMAC papers are subject to double blind peer review, and Track Chair review prior to publication. This exceeds the minimum requirements that the conference paper has been published in full (i.e. not an abstract); and that the conference paper has not been submitted to ERA 2012 in any other citable form (e.g. a journal article).

For confirmation, ERA 2012 Submission Guidelines, have the following requirements 5.4.8.7. Conference Publications—Full Paper Refereed

Institutions are required to submit information on all eligible peer reviewed conference publications for each year of the research outputs reference period.

Eligibility Criteria for all Conference Publications

A conference publication must be submitted provided that it meets the following criteria (in addition to the criteria outlined in 5.4.1):

(a) be published in full. The publication may appear in a number of different formats, e.g. a volume of proceedings, a special edition of a journal, a normal issue of a journal, a book or a monograph, CD- or DVD-ROM or conference or organisational website;

Proceedings were available on CD, and through the ANZMAC organisational website;

(b) be peer reviewed. For ERA purposes, an acceptable peer review process is one that involves an assessment or review, before publication, of the research output in its entirety by independent, qualified experts. Independent in this context means independent of the author.

As noted above, and in the Call for Papers, ANZMAC is peer reviewed conference.

(c) be presented at a conference, workshop or seminar of national or international significance. Evidence of the national and/or international participation in the conference needs to be illustrated. In 2012, ANZMAC attracted delegates from all Australian States, New Zealand, England, Indonesia, Europe and America.

To assist delegates in providing sufficient information to their research offices to meet the HERDC reporting requirements, ANZMAC has provided the following information (which will be repeated on the Conference Proceedings Page when that is live)

5.4.8.8. Summary of Data Requirements for Conference Publications—Full Paper Refereed

The following table summarises the information that institutions are required to submit for each conference publication

- Title 1 of 1 – Australia New Zealand Marketing Academy Conference 2013
- Subtitle: Proceedings
- Format: CD-ROM, website
- Publication Date: 12/2013
- Recommended Retail Price: $0.00
- Number Of Pages: 4000
- Height By Width: 297 x 210
Based on the ANU HERDC data collection profile, the following information is also provided

- Year*: 2013
- Conference name*: Australian and New Zealand Marketing Academy Conference
- Location: Adelaide Hilton, Adelaide, South Australia
- Date of conference: 1-4 December
- Title of conference publication: Australia New Zealand Marketing Academy Conference 2013
- Editor: Rod Brodie
- Publisher*: The University of Auckland Business School, University of Auckland
- Place of publication: The University of Auckland Business School, University of Auckland
- URL: http://anzmac.org/conference/2013/
- Edition: 1
- Number of pages: 1505
- ERA Conference ID: 42520

After the jump, there’s a selection of addition information regarding the FOR, RFCD and SEO reporting requirements.

**FOR, RFCD, SEO and ANZSIC Codes (Australian Government)**

- **FOR Classifications and definitions by Division, 2008**

  Marketing is traditionally identified as **FoR 1505**, within one of 8 fields with three notable exclusions:

  - 150501 Consumer-Oriented Product or Service Development
  - 150502 Marketing Communications
  - 150503 Marketing Management (incl. Strategy and Customer Relations)
  - 150504 Marketing Measurement
  - 150505 Marketing Research Methodology
  - 150506 Marketing Theory
  - 150507 Pricing (incl. Consumer Value Estimation)
  - 150599 Marketing not elsewhere classified

  **Exclusions:**
  a) Tourism marketing is included in **Group 1506 Tourism**.
  b) Social impacts of marketing are included in **Group 2001 Communication and Media Studies**.
  c) Cultural impacts of marketing are included in **Group 2002 Cultural Studies**.

  Papers in Track 21. Tourism, Sports, Events and Recreation Marketing may wish to consider **FoR 1506 Tourism**

- **RFCD Classifications and definitions by Division, 1998**

  Marketing is located within the Research Fields, Courses and Disciplines under the following structures

  - **350000 COMMERCE, MANAGEMENT, TOURISM AND SERVICES**
    - **350200 Business and Management**
      - 350201 Human Resources Management
      - 350202 Business Information Systems (incl. Data Processing)
      - 350203 Industrial Relations
      - 350204 Marketing and Market Research
      - 350205 Sales and Distribution
      - 350206 Advertising and Public Relations
      - 350207 Office Services
      - 350208 Organisational Planning and Management
      - 350209 Small Business Management
      - 350210 Quality Management
      - 350211 Innovation and Technology Management
      - 350212 International Business
- 350213 Electronic Commerce
- 350299 Business and Management not elsewhere classified
- 350500 Tourism
  - 350501 Tourism Policy and Planning
  - 350502 Tourism Resource Appraisal
  - 350503 Impacts of Tourism
  - 350504 Tourist Behaviour
  - 350505 Tourism Economics
  - 350506 Tourism Forecasting
  - 350507 Tourism Management
  - 350508 Tourism Marketing
  - 350599 Tourism not elsewhere classified

- **Socio-Economic Objective (SEO) classification, 2008**

Marketing is nested within Division 91 Economic Framework in Group 9104 Management and Productivity.

According to the ABS, this group has seven objectives:

- 910401 Industrial Relations
- 910402 Management
- 910403 Marketing
- 910404 Productivity (excl. Public Sector)
- 910405 Public Sector Productivity
- 910406 Technological and Organisational Innovation
- 910499 Management and Productivity not elsewhere classified

**Exclusions:**

a) The provision of market research, administration, business support and professional services are included in Division 90 Commercial Services and Tourism.

b) Occupational health is included in Group 9205 Specific Population Health (excl. Indigenous Health).

c) Employment, work and workplace safety issues are included in Group 9405 Work and Institutional Development.

- **Australian and New Zealand Standard Industrial Classification (ANZSIC), 2006**

Australian and New Zealand Standard Industrial Classification. Not entirely sure you’ll ever needed, but provided for completeness.

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