

Alexandrina Cristina VASILE  
Bucharest University of Economic Studies,  
Faculty of Economics and International Business Bucharest, Romania

# STRATEGIC COMMUNICATION IN MULTINATIONAL COMPANIES

Viewpoint and  
replies on  
previously  
published  
articles

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## Keywords

Strategic management,  
Strategic communication,  
Information,  
Multinational companies

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## JEL Classification

F20

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## Abstract

*The article intends to show how multinational companies gain market share and visibility by using the appropriate strategic communication.*

*The study evaluate the base framework, analysis, tools, data sources, sets of improvement plans and results that some multinational companies obtain by using strategic communication. The analysed companies are American based mainly communicative corporations and it will be underlined the importance of communication in the current economic environment.*

*The results will show how important strategic communication is along the information used and the strategic management in targeting the position in the market.*

Why should be strategic management and communication important in a multinational company?

Brooks (2011) makes the difference between “*strategic communication*” and “*communicating strategically*” The author thinks strategic communication is about “looking good” the corporate entity, in this particular case to maximize the profit. So, how can communication make a firm to look good on the market? The answer must be gain through studies and adaptation the market and cannot be applied directly and unique in all companies. The main ability in managing communication would be to choose the most appropriate way to the each analyzed company. “At risk of sounding tautological, strategic communication is communicating strategically: it’s the thoughtful integration of issues of stakeholder perception and response into policy-making, planning and operations at every level” (Brooks, 2011).

A term relativ recently new on corporate field is Strategic Communication, very often confused by Public Relation. The first term first appeared in defence policies, and that confuzes a lot the reader, moreover we ask which is the term link with business and why should be one or both important for any company or corporation?

At the beginning of XX century communication gain some space in management area by publicity or by positive reviews in magazines, and after that by market studies and applied company strategies to the market request, advertising, targeting the public and creating one integrated managerial vision through Marketing and Public Relation.

Strategic management is a tool currently wide used which appeared along strategic communication as a result of business experience not as an academic study. As strategic management used a vision, strategic communication has been developed like a result of companies’ expansion and results, all improvements leading the next step for the beginning.

The latest century, companies have exponentially developed their business becoming multinational and worldwide corporation. The market evolution forced them to adapt the environment and choose to survive and win in an unstable and difficult background. But the management question was not how to win the word, but how to increase their profit and adapt the continuously change.

”Even effective strategic planning efforts that result in the best and most appropriate decisions for a company’s long term success can come up short on delivering performance improvements if they do not have the necessary support”, (Ambler, 2014). In Tom Ambler opinion Strategic Management is a three-step process that includes Planning, Execution, and Monitoring and a more powerful means of optimizing the long-term performance of an organization. The ongoing repetition of the process that goes along communication is the key of success. The same opinion we can see at Dess (Dess, Lumpkin, Taylor, 2005) and proves general judgment of increasing performance through learning and repetition.

Dolphin and Fan (2000) linked or confused Corporate Communication with Public Relation but saw their importance in companies along branding and strategic planning, considering that “communication has matured into a key discipline of enlightened and progressive management”. Furthermore they find a very appropriate definition the one that Winner gave it in 1993: “Corporate communications is the strategic management process by which an organization communicates with its various audiences to the mutual benefits of both and to its improved competitive advantage (Winner,1993).” In our opinion the Strategic Communication includes Public Relation and cannot be totally overlapped; the first being part of companies’ strategy and not a tool, moreover the strategic communication is

more present though long terms actions and not on campaigns as PR.

Some interesting approaches we can see in Dobson (2004) over Michael Porter pointing in communication regarding differentiation and uniqueness and how companies can achieve competitive advantage through (Dobson, Starkey, Richards, 2004, p.2). The sample take into account companies like Southwest Airlines which positions itself in the airline industry as IKEA in furniture retailing, in the same way that Marks & Spencer used to on a strong and constant message strategy. Even if Marks & Spencer has as guideline “Quality worth paying more for” (Donnelly, 2013) and IKEA is stick for more than few decades on the idea of Do It Yourself on smaller prices (ikea.com), Southwest Airlines is the communication can be made through more than a single media, “Nuts about online communication!” (prnewsonline.com) the highlighted idea is about constancy and giving a well pointed message, easily to be distinguished. “To enact a successful strategy requires that there is fit among a company’s activities, that they complement each other, and that they deliver value to the firm and its customers (Dobson, Starkey, Richards, 2004, p.2).” As in the above example two of the companies were successful by developing in time new value propositions while the third was very successful but lost this position so we can see that success is not guaranteed even if “there is agreement that strategy is concerned with the match between a company’s capabilities and its external environment (Dobson, Starkey, Richards, 2004, p.2).” Are taken into account two opinions: while John Kay (2000) thinks that strategy cannot be seen as ‘vision’ – most of the time because a free market is unpredictable, so management cannot control the future – we still can use statistics and analysis to understand and influence a company’s positioning in the market place; the other leading opinion(Gary Hamel, 2000),

argues that the best strategy is geared towards radical change and creating a new vision of the future in which you are a leader rather than a follower of trends set by others. In his opinion

Winning strategy = foresight + vision. (Dobson, Starkey, Richards, 2004, p.2)

Another differentiation inside organizations, one more administrative can be seen through the responsible of strategic communication as can be seen on the below table (Table 1)

Even if in the mentioned table can be seen the management titles of senior communication directors from British industry and the public sector, Ambler thinks management and strategic communication along the rest of the company works together. In his opinion, strategic communication combines internal communication, external communication, receiving communication and managing communication and these parts are introduced in a management circle and its success is guaranteed by repetition. The repetition rule is an already old proven strategy based on human behavior largely used in another likes communication business like advertising. Under this regard we tend to recall previous conclusion of message constancy (Dobson, Starkey, Richards, 2004) - Picture 1

Oopen (2006) set ten steps of Strategic Communication for Sustainable Development. They can be settled in four stages which simplify the understanding over the moment of communication a company is involved in and apply best.

Stage 1 => Assessment

Step 1: Situation analysis

Step 2: Audience and KAP analysis

Step 3: Communication objectives

Stage 2 => Planning

Step 4: Strategy design

Step 5: Participation of strategic groups

Step 6: Media selection and mix

Stage 3 => Message Design

Step 7: Message design

Step 8: Media production and pretesting

Stage 4 => Action and reflection

### Step 9: Media use

Step 10: Monitoring & Evaluation and process documentation (Oepen, 2006) – Picture 2

Strategic Communication has been extensively used the latest decades as a universal solution for many companies. "The FORBES Global 2000" is a comprehensive list of the world's largest, most powerful public companies, as measured by revenues, profits, assets and market value. If is to weight the first three companies in worldwide companies top in 2014 (ICBC, China Construction Bank and Agricultural Bank of China, <http://www.forbes.com/global2000>) we would believe the Chinese companies rule the current market. On a second and deeper analyze this conclusion might be wrong...why? Because the Forbes can only count the sharpness and the last year revenue of a company on the market, its evolution, the message stability and business cannot be seen here, moreover the enlighten companies can use the top as a branding and strategic communication attitude, finally the latest year results can lead the researcher to a wrong conclusion and only a long term analysis.

Even if the strategic communication can manipulate the perception over the companies' evolution, as a basic rule, the economic results along an appropriate strategic management tend to give the right message into the market.

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***Table 1, The list of respondents and their titles inside companies***

*Source: Dolphin and Fan (2000, p.22)*

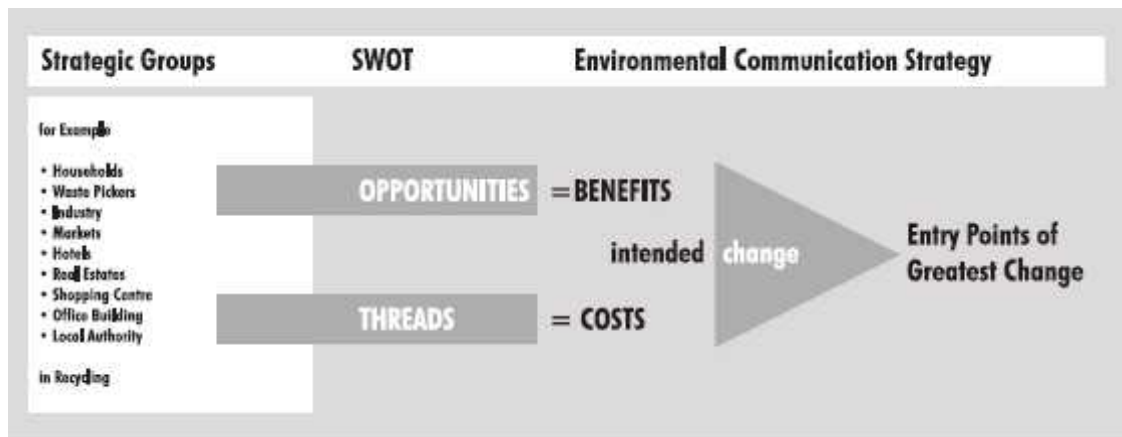
<u>THE ORGANSATION</u>	<u>THE RESPONDENT</u>
<u>ASDA Plc</u>	<u>Director of Corporate Communication</u>
<u>Avon Rubber PLC</u>	<u>Group Publicity Manager</u>
<u>Avon&amp; Somerset</u>	
<u>Constabulary</u>	<u>Public Relation Manager</u>
<u>B.A.T. Industry PLC</u>	<u>Director of Grup Public Affairs</u>
<u>Boots Group PLC</u>	<u>Director of Corporate Affairs</u>
<u>British Airways PLC</u>	<u>Director of Public Affairs</u>
<u>British</u>	
<u>Telecommunication PLC</u>	<u>Director of Corporate Communication</u>
<u>Glaxo Welcome PLC</u>	<u>Director of Grup Public Affairs</u>
<u>Llyods TSB PLC</u>	<u>Head of Corporate Communication</u>

Picture 1 : Key Steps in Strategic Management,



Source: Tom Ambler, 2014

Picture 2: Communication Approach in Strategic Groups



Source: Oepen, p. 37, 2006