

The CI Boom: Indicative of A Changing Japan

By Taro Nawa

Corporate identity (CI), as a management tool, was first introduced to Japan in 1971. New methods of management from the United States are usually imported into Japan within two or three years, but in the case of CI, there was a lapse of 15 to 16 years. The main reason for this delay was the fact that Japanese society had difficulty getting accustomed to the concept of corporate identity. In Japanese society, it has traditionally been considered proper for the individual to behave in a discreet, inconspicuous manner. Suppression of individuality has been regarded as a virtue and met with little criticism. This has also been true of a corporation; just as in the case of an individual, the concept of an individual identity as being necessary did not take hold.

It was Motoo Nakanishi, president of PAOS (Progressive Artists Open System), who first introduced CI to Japan. Nakanishi published a book entitled *DECOMAS* (Design Coordination as a Management Strategy) in which he elaborated the concept of CI and relevant methodology. It had a big impact on corporate management, promotion and public relations specialists, and produced the first CI boom of the 1970s. With such theoretical support, the concept of strategic corporate image building began to spread.

CI in Japan has been focused on design and advertising—that is, the mere visual aspects of CI. If one looks back several centuries, one can see the predilection for such a focus in the concept of *noren*. *Noren* is the short curtain which is hung over the entrance or under the eave of a store and is usually dyed with the store's trademark or name. The *noren* was first used in the Kan'ei era (1624–1644) and became greatly fashionable during the Genroku and Hoei eras (1688–1711).

Initially, *noren* served simply to proclaim the store's existence and to tell the public of its wares. Gradually, the public began to associate the *noren*, the trademark with the store and the *noren* came to stand for the store itself and its reputation.

The *noren* had a strong emotional hold over the shopkeepers, and its power held sway in controlling the actions and be-

havior of the employees, upholding the objectives of the store as well as regulating its way of conducting business. Such expressions as “the *noren* will be hurt” or “the *noren* will weep” came into use.

New challenges and a new identity

The first CI boom occurred when Mazda Corporation, ranked third in the automotive industry, adopted the concepts of MI (mind identity), BI (behavior identity) and VI (visual identity), an action that attracted much attention. It had taken the company over a decade to change its name from Toyo Kogyo K.K. to Mazda Corporation. Its decision was regarded as a leading example of the adoption of CI in Japan at the time.

This first CI boom was a period in which businesses linked directly to consumers—such as supermarket chains (Daiei) and department stores, food, publishing, film, banking and textile enterprises—were the focus of attention. But in hindsight, most of the CI activities at the time were deceptive and limited to the production of symbols, symbolic colors and logos. In other words, they were “corporate cosmetics.”

The second boom period occurred in the late 1970s and early 1980s. Among the companies that became keenly conscious of CI were Bridgestone, an integrated rubber products manufacturer; Calpis

Foods, a soft drinks producer; Wacoal, a women's underwear manufacturer; and Fuji Photo and Film.

Among the many factors that triggered this second boom can be mentioned the following. First, diversification into many fields caused corporations to lose sight of the nature of their business, and they themselves began to sense an identity crisis. Because Bridgestone Tire produced not only tires but also sporting goods and chemicals, it felt uncomfortable with the word “Tire” in its name, which it felt was inappropriate with the range and scope of its business activities. If there was a need to revise the corporate name, the top management decided that they might as well adopt the CI concept in toto. They reviewed the corporate concept and established a new one. At the same time, they changed the corporate symbol mark, logotype, corporate color, letterhead and employee calling cards. They also took steps to overhaul the internal corporate structure and behavioral pattern.

Second, this was a period in which corporate image was regarded as highly important. A good or bad corporate image became an essential factor in the performance and development of the corporation.

Third, from the viewpoint of recruiting new employees, it became necessary to review the corporation in its entirety. A corporation that hopes to appeal to college graduates must radiate a cultural



PAOS president Motoo Nakanishi (center) who first introduced CI to Japan.

Taro Nawa is a senior writer with the *Asahi Shimbun*.

image and appear to be worth working for. The revision of trademarks and logos as well as the presentation of cultural events and the refurbishing of offices and direct sales stores all promote an appeal that cannot be overlooked by the corporation.

Fourth, the advent of an advanced information society brought with it the differentiation of various information. The possession of merely good quality products and extensive sales networks alone could not assure victory in corporate competition on a global scale; quality and quantity of information were also important. Therefore, total quality control (TQC) with respect to corporate information, its product and services, became necessary. Indeed, TQC of information constitutes corporate identity.

Fifth, there was a growing desire on the part of society for beauty. After the end of World War II, Japanese society first sought to satisfy quantitative demand; then from the 1970s, it placed greater importance on quality. During the 1980s, people are looking not only for quality but for the added value of beauty. In Japan, a state of material satiation has been reached and there is a growing desire to satisfy the mind. CI is said to be aimed at "beautifying the corporate appearance." The outward appearance of a corporation is linked to the beauty of the community, while the beauty of the mind and behavior of a corporation give pleasure to the minds of consumers. Thus, it is only natural that CI should be sought.

Sixth, there is a strong demand for boosting the morale of the corporate employees. The Japanese people's sense of values has become diversified. Up until now, the strength of the Japanese enterprises was said to lie in the loyalty and diligence of its employees. But since the 1980s, the general trend is toward doing what one likes, whether it involves life-style or work; if the latter is merely for the sake of compensation, the worker does no more than what is required. This unfortunate development has prompted a move to "refresh" and upgrade the corporate image and ideals and thus provide employees with greater work incentive.

Image and organizational changes

In the second CI boom period, many corporations tended to concentrate solely on the visual aspects to the exclusion of more concrete changes. Gradually, however, the number of companies insisting on a more realistic CI approach increased.

The introduction of CI programs became more systematic and organized. For example, during the first phase, a preparatory committee would be established, visits would be made to other

enterprises which had already adopted CI and invitations would be extended to CI experts to conduct lectures. A rough schedule of events and objectives would be drawn up and an outside firm specializing in CI would be selected.

The second phase would consist of an analysis of the company's present image. Internally, a thorough image survey of everyone from top-level management down to department, section and group managers would be conducted. A similar survey would also be made of customers, banks, associated firms and consumers and the results analyzed for their view of the company. Such work is usually consigned to a professional research firm, but at times, CI consultants, CI firms and advertising agencies are commissioned to perform this work.

The third phase would consist of review and revision, or confirmation, of basic concepts of the corporation and the establishment of the range and scope of corporate activities.

The fourth phase would be the establishment of the corporation's organizational structure based on the new corporate concept.

Not until the fifth phase would visual expressions, such as symbol mark, corporate name and logotype be decided.

There have been corporations, such as Mazda, which took over ten years to proceed from phase one to five, but on average it would appear that most firms take from one to two years. From phase five, it is to be expected that the changing of signboards and related activities will take several years. From the standpoint of boosting the CI mood, it is disadvantageous to delay such important tasks. But in terms of cost, it is economical since old signboards, stationery and uniforms would be gradually and naturally phased out and replaced with new ones anyway.

This is why Mazda took over a decade to achieve its total CI objective. Mazda's spending of only one billion several hundred million yen is due to its having renewed signboards when the time for their replacement came around; they were not included in the overall CI project cost. In contrast, Nissan Motor Co., which changed Datsun's name to Nissan in a move to achieve uniformity, did so over a much shorter time span. Thus, their CI project cost reportedly amounted to over ¥10 billion.

There are many corporations which have achieved substantial growth in sales and earnings by upgrading their corporate image. Most prominent among those which succeeded in improving in-company CI is Wacoal.

The introduction of the CI program at Wacoal involved everyone from the president down to the most junior level employee. On the plaque which stands in

front of the head office entrance is engraved the name of every employee who participated. Those who were on the company payroll at Wacoal around 1979 look at the Wacoal mark with pride and remark, "We made that mark. It's our company."

Company-wide CI changes

Now, we are experiencing another corporate image boom period which is often regarded as an extension of the second phase. We should, however, consider it a third boom, distinct from the first two.

This latest boom is heeding lessons learned from the fake CI activities that took place during the first and second boom periods. Many enterprises are now determined to take up CI on a full-scale basis if they are going to adopt such a plan at all. The subject of CI is frequently taken up by special economic journals as well as by the press in general and has become recognized as a method of management that is here to stay. The environment has become favorable for in-company introduction of the CI concept.

The CI boom this time is characterized by the full-scale entry into the field of such giant advertising agencies as Dentsu, an increase in the number of small- and medium-size enterprises implementing CI programs, and the energetic efforts by the prefectural governments of Kumamoto and Kanagawa and the Tokyo Sumida Ward Office for the adoption of such programs.

Some small- and medium-size enterprises are implementing CI programs on their own, but most are faced with the problem of financing. Tokyo's Sumida Ward Office has compiled a booklet for distribution entitled, *CI Guidebook for Small- and Medium-Sized Businesses* and has also set up a consultation section to handle matters relating to CI for interested enterprises. This Sumida Ward program has been imitated by Ishikawa Prefecture and is gradually being adopted by others.

The local governments are undertaking CI efforts which are based on the ideal of community management, the aim being to revitalize the activities of prefectural, city and ward offices as well as to invigorate the industry and culture of the various regions.

In the case of Kanagawa Prefecture, a plan has been produced for a Kanagawa design, its goal being the creation of an "appealing prefectural image." It is called KI (for Kanagawa identity) but is still limited to the visual aspect. There is yet very little sense of MI (mind identity) or BI (behavior identity).

According to one school of thought,

社名

旧社名
ブリヂストンタイヤ株式会社
 BRIDGESTONE TIRE CO.,LTD.

↓

新社名
株式会社ブリヂストン
 BRIDGESTONE CORPORATION

商標

BS アリヂストン

BRIDGESTONE

BRIDGESTONE

BRIDGESTONE

BRIDGESTONE

BS

●ブリヂストンシンボルは、ロレンス風の精
 的な最上級のデザイン要素である。
 ●ブリヂストンマークおよびBマークは、上
 記ブリヂストンシンボルを模倣するもの
 で、商標等法的保護は受けていない。

ブリヂストンシンボル

BRIDGESTONE

ブリヂストンマーク Bマーク

B B

BRIDGESTONE

BRIDGESTONE

BRIDGESTONE

BRIDGESTONE



Feeling that the name "Bridgestone Tire" no longer accurately represented the company, Bridgestone revised its name as part of its CI strategy.

government is "conducted under the trusteeship of the residents for achieving the objectives of public interest." A public organization is different from a private profit-seeking company and, therefore, in the above view, the adoption of a CI program would not be appropriate. But with the reduction in subsidies from the central government due to financial difficulties, it has become necessary for local governments to undertake administrative measures as much as possible by themselves. This is why the CI concept is attracting attention. CI programs, however, are not proving very effective in local autonomous governments because of such factors as emphasis on regulations, adherence to precedents, vertically structured organization, monopolistic systems without competition, communities closed to outsiders or new concepts, and bureaucratism.

In the case of Kumamoto Prefecture, Governor M. Hosokawa, immediately upon assuming office, issued an order to his staff to transform the Kumamoto prefectural government into "Kumamoto Prefectural Office, Inc." Under his leadership, a program was launched to reform bureaucratic thinking. Personnel administration based on merit rather than seniority is now being encouraged and CI activities backed up by MI, BI and VI are being carried out in parallel. If these efforts should succeed, Kumamoto Prefecture will be the first among all local governments to achieve the objectives of CI.

In 1989, some 39 cities will celebrate

their centennial. Many of them are expected to take advantage of this opportunity to establish a bold new image. Large advertising agencies, such as Dentsu and Hakuhodo, are calling upon major city offices throughout the nation with CI presentations. It is certain, therefore, that a CI boom will occur among local government offices even if only of a visual dimension.

Japanese giants go CI

A factor which has greatly boosted the third CI boom is the adoption of corporate identity programs by Nippon Telegraph and Telephone Corporation (NTT), Japan's largest enterprise, and by Japan Tobacco Inc., formerly Japan Tobacco and Salt Public Corporation, both of which became private companies in April 1985. Hisashi Shinto, former president of Ishikawajima-Harima Heavy Industries Co. and known as "Mr. Rationalization," was appointed president of NTT. Upon assuming office, he immediately launched a campaign to change the old ways of thinking and to gradually give the corporation an increasingly private business image. A CI program has also been implemented and a new symbol adopted, but MI and BI have not yet taken hold. As of yet, as much progress as had been hoped for has not been achieved in changing the thinking of NTT employees, who for many years have worked as semigovernmental officials. The CI program has thus been only partially fulfilled, but the very fact that the largest corporation in Japan,

with 320,000 workers, has adopted it is extremely significant.

In the private sector, major corporations now undertaking CI programs are Toray and Mitsubishi Electric. The latter has adopted the slogan "Socio-Tech" and has confirmed as its new corporate concept and philosophy, "the use of outstanding technical and creative resources to contribute to the realization of a human society abounding in vitality and latitude." The word socio-tech is meant to convey the meaning of "technology to be used for society." This slogan was selected from some 76,000 suggestions submitted by company employees. Since there are 49,000 employees, an average of 1.5 suggestions per worker was submitted. A CI essay contest on "How to bring out the good points of the new corporate concept at each work site" is now under way. The implementation of the CI project at Mitsubishi Electric was not the result of a top-to-bottom management decision; it was suggested by middle management employees in February 1984 by the establishment of a CI Promotion Committee. An all-out CI effort is now under way.

In Japan, major CI consultant companies include PAOS, Landor-Japan, Jackson & Miki, Inc. and Total Media Research and Development Center. Lately, such advertising agencies as Dentsu, Hakuhodo, Daiko and Tokyu Agency are coming on strong. Also, there is an increase in the number of management consultants and designers who either individually or in groups are involved in the CI field.

PAOS, with 33 workers, annual billings of ¥600 million and dividends of 30%, is so swamped with orders that it is rejecting all new business, according to its president, Motoo Nakanishi. Others, however, are facing stiff competition for work, and are thus specializing in certain CI activities. All of them—companies and individuals—are stressing the importance of MI, but none of them have any outstanding expertise to offer.

Attempts are being made to establish CI methodology incorporating new organic management concepts such as "Holonic Management" and "Holography Paradigm." Companies such as Suntory and Kyocera, which are regarded as excellent businesses in their respective fields, have actually incorporated these new concepts into their day-to-day management and operations.

These new concepts are receiving much attention—they might be a third management method after American and Japanese types. CI specialist firms are now following the lead of such companies as Suntory and Kyocera in the adoption of these new management concepts that may well prove to be the management of the future.