

Corporate communication, ethics, and operational identity: a case study of Benetton

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This article investigates conceptual and strategic relationships between corporate identity, organizational identity and ethics, utilizing the Benetton Corporation as an illustrative case study. Although much attention has been given to visual aspects of Benetton's renowned ethical brand building efforts, few studies have looked at how Benetton's employees, retail environments and trade events express ethical aspects of their well-known corporate identity. A multi-method case study, including interviews at retail outlets and trade events, sheds light on several important yet under-studied components of corporate identity, including stakeholders such as retail managers and contract employees. Analysis of Benetton's operations revealed disconnection and inconsistency, as well as a failure to communicate ethical values and socially responsible attributes throughout organizational identity. Operational identity emerged as a useful complement to models of corporate identity. We demonstrate the way in which organizations may fail to capitalize on positive aspects of their organizational identity by neglecting their operational identity.

Introduction

Corporate identity rests in an organization's distinctive attributes and core values. If socially responsible attributes and ethical values were claimed to undergird a particular corporate identity, then one would expect these qualities to be revealed throughout the various aspects of that organization. To put this another way, an audit of corporate identity should give evidence of communicative coherence and a consistency among

stakeholders that constitute organizational identity, as consistency remains a key component of corporate communication theory (see e.g. Cornelissen 2004; van Riel & Fombrun 2007, for reviews). Moreover, corporations that fail to fully operationalize corporate identity may be unable to consistently manifest their ethical values across their operations and communications even while promoting an ethically driven visual identity.

Corporations are often criticized for failing to deliver on an ethical position (e.g. Husted & Allen 2000). Alternatively, employees may resist 'buying in' to the socially responsible initiatives espoused by the organizations for which they work (e.g. Collier & Esteban 2007). This Benetton case study reveals an alternative problem: whereas in fact many stakeholders are motivated by a socially

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responsible identity, relevant firms may fail to consistently communicate ethical values throughout the organization. The example focuses on often overlooked components of organizational identity – such as retail managers, trade events and contract employees – and reveals some difficulties in aligning corporate ethics with organizational behaviour. Themes of inconsistency and disconnection provide important sites for investigating the complex intersection of corporate identity, ethics, and corporate communication, including processes of linking ethical values with corporate identity.

Benetton remains one of the most globally visible corporate exponents of business ethics and corporate social responsibility – making Benetton a paradigmatic example of a socially responsible corporate identity with ethics playing important strategic roles. The internationally renowned apparel manufacturer and retailer has strategically connected to global ethical and social issues, which form a significant part of the corporation's marketing communication strategy and visual identity. Furthermore, Benetton represents a company that fosters strong consumer–company identification, building a loyal worldwide customer base (e.g. Bhattacharya & Sen 2003).

Moreover, Benetton participates in the ethical context of an industry-wide identity (Olins 2003). In other words, fashion clothing brands and apparel manufacturers, individually and as an industry sector, have faced accusations of exploitative labour practices, as well as sceptical consumer responses to so-called ethical initiatives. Famous for its nonconforming and occasionally shocking marketing communication campaigns, Benetton has attracted attention and generated controversy for nearly two decades: this includes consumers and other stakeholders interrogating Benetton's ethical position and commitment to social action that apparently underlie strategically motivated appropriation of images of disease, war and racism (e.g. Berger 2001, Toscani 2002).

Although much attention has been given to visual aspects of Benetton's mass media campaigns (e.g. Giroux 1994, Ramamurthy 2004, Borgerson & Schroeder 2005), little research has looked at how Benetton's employees, retail environments

and trade events express ethical aspects of their well-known corporate identity. We argue that Benetton's identity does evoke ethical values and socially responsible attributes due to the corporation's initiatives and long-term visual identity. Nevertheless, despite building a powerful global brand based on ethics and social responsibility, Benetton's operations often resemble those of traditional clothing retailers. We demonstrate how Benetton fails to bring meaning-related assets to bear specifically upon organizational identity, which leaves Benetton less equipped to address damage caused by industry-wide identity issues and less able to capitalize on these well-established aspects of their business identity. We do not argue for simplistic solutions of 'aligning' image and identity; rather, we suggest that organizations like Benetton may have a 'blind-spot' in their organizational identity.

To gain insight into the relation between corporate identity and ethics, particularly regarding themes of consistency and connection, we turned to several under-studied aspects of business identity – retail managers, contract employees and trade events – that help constitute organizational identity (e.g. Dutton *et al.* 1994, Scott & Lane 2000, Ford & Harding 2004). The case study utilizes a conceptual framework of *business identity* introduced by Balmer (2001) in which:

- *corporate identity* maps corporate ethos – core attributes, strategy and values;
- *organizational identity* reflects 'the mix of employees' values which are expressed in terms of their affinities to corporate, professional, national and other identities' (Balmer 2001: 280); and
- *visual identity* consists of visual cues and corporate communications about corporate identity.

In analyzing interviews with stakeholders from several Benetton retail environments and other strategic communication outlets – such as fashion shows – we expose inconsistency and disconnection in Benetton's organizational identity. After discussion of the interviews, we undertake theo-

retical clarification at the interface of corporate and organizational identity, corporate communications and ethical values.

Developing a brand culture: corporate identity and communicating ethical values

Making the values and attributes of the organization's identity known, and communicating this identity and its meanings throughout the entire organization, implies building a corporate brand (Aaker 2004, Balmer 2001, Markwick & Fill 1997). Corporate brands, or brand portfolios, play significant roles in conveying meaning related assets and messages, placing the brand, then, in the position of strategic conduit for relationships between stakeholders and companies (Fournier 1998, Kapferer 2001). Moreover, employees can be considered 'brand builders' (King 2003) and 'strategic human capital' (Carmeli 2004) who 'vividly project an organizational image to customers and other constituents' (Miles & Mangold 2005: 544), who deliver brand messages via 'living the brand' programs (Hatch & Schultz 1997), and whose values drive corporate social responsibility (Hemingway & Maclagan 2004, Morsing & Schultz 2006). This suggests that aspects of organizational identity construct, and draw upon, the brand as resource in communicating ethical values and socially responsible attributes. Nevertheless, research on corporate identity often focuses on top-level management, rather than on employees – such as retail staff at the front line of customer contact, short-term workers or contract employees (cf. George & Chattopadhyay 2005, Perrini & Minoja 2008).

Furthermore, managing corporate identity demands that companies define the distinctive values and attributes of their organization and attend to how this is represented and communicated to a variety of stakeholders (e.g. Margulies 1977, Dowling 1993, Olins 1995, Fombrun 1996, Albert *et al.* 2000, Melewar 2008). Researchers have addressed how corporations construct themselves and communicate as *corporate citizens* (Maignan & Ferrell 2001), *entities* (van Riel & Balmer 1997,

Balmer 2001), *expressive* organizations (Hatch & Schultz 2000) and *identities* (Rindova & Schultz 1998) within *brand culture* (Schroeder 2005, 2008). Indeed, corporations are thought to manifest moral agency (see Moore 1999) and develop organizational consciousness (Pruzon 2001b). However, corporate identity research is often hampered by a diversity of bewildering terms and concepts (Cornelissen *et al.* 2007). Balmer (2001) disperses the fog that has surrounded the field of identity, outlining reasons for the continuing conceptual confusion and pointing out productive potential in identity's strategic importance and multidisciplinary nature. His concept *business identity* encompasses related terms and intersecting research on corporate identity, organizational identity and visual identity, thus building on previous literature from different fields and distinguishing between various inter-related concepts and vocabulary.

Moreover, if everything an organization does should affirm its identity (e.g. Olins 1995), then architecture, personnel and retail design each contribute to overall business identity (e.g. Schroeder 2002). Nevertheless, retail stores, for example, often fail to communicate a strong identity (e.g. Newman & Patel 2003). Clearly, an organization aspiring to communicate a socially responsible visual identity cannot simply put forward an isolated slogan, random image or a collection of phrases. Such identities are said to require tangibility, visibility and consistency with other aspects of business identity (Balmer & Gray 1999), emphasizing the way in which staff affinities may influence organizational identity and customer perceptions of corporate commitment to socially responsible initiatives and ethical values.

However, coordinating different communication channels so that they project consistent and coherent ethical values and socially responsible attributes can become problematic in part because communication channels vary – including, for example, store layout, product design, advertising and brand related events. As a crucial example for understanding how firms promote ethical and socially responsible business identities, we present a review of Benetton's ethical identity building activities.

Benetton: building an ethical identity

The Benetton Group spans 120 countries within the clothing sector with well-established United Colors of Benetton and Sisley brands; and in the sportswear and equipment sector through brands such as Playlife, Nordica, Prince, Rollerblade and Killer Loop. The Group's global commercial network of 5,000 retail outlets increasingly focuses on extensive floor-space mega-stores offering high quality customer services, generating over 2 billion euros yearly. Benetton produces 90% of its garments in Europe, including Eastern Europe, and the remaining 10% is under licence for markets in India and Turkey, strictly for the local market (see Favero 2006).

Benetton produces corporate communications campaigns that can be implemented globally, tapping into the kinds of issues that concern many people within Benetton's brand reach. Fabbrica, located in Italy and formed in 1994, holds responsibility for the company's strategic communication, which developed into two distinct marketing efforts: an image campaign focusing on communicating who they are and what they stand for, and a product campaign communicating what Benetton makes – emphasizing product attributes and qualities. Strategic corporate communications campaigns express Benetton's visual identity and shape their corporate identity (Mantle 2000).

Ethical expectations for Benetton's identity would apparently extend throughout the organization, including continuous reaffirmation through various communication channels. Along these lines, Benetton has produced several distinctive communication campaigns, some of which have proven quite controversial. Indeed, Benetton has been strongly criticized for its marketing images, for example, showing AIDS victims, death row inmates and graphic war violence (cf. Giroux 1994, Goldman & Papsen 1996, Borgerson & Schroeder 2002, Berger 2001), often without any anchoring context, potentially exploiting tragedy and trauma for commercial ends (see Chouliaraki 2006). Nevertheless, it might be said that Oliviero Toscani, the photographer behind Benetton's controversial ad campaigns during the 1990s,

created Benetton's ethical associations without reference to Benetton's corporate identity or intentions at the time (Toscani 2002); and when he left Benetton, the visual expression – however questionable – of ethical values and views went with him. However, the ethical values linked to United Colors of Benetton continue after Toscani, both in consumers' minds and, for example, in the 2001 Volunteer campaign, produced in conjunction with a United Nations assistance program.

Benetton and the United Nations started collaborating in 1996 with the first major communication campaign for the World Food Summit organized by the FAO (Food and Agriculture Organization of the United Nations) to discuss the problem of hunger in developing countries. In 1997, the United Nations and Benetton joined forces yet again with a worldwide campaign celebrating the 50th Anniversary of the Declaration of Human Rights, and again in 1999 for the fundraising campaign for Kosovo with the collaboration of United Nations High Commission for Refugees. The Benetton–United Nations Volunteer campaign was seen throughout Europe, the United States, South America and the Far East, in newspapers, weekly magazines, women's and lifestyle magazines and on billboards located in the world's major capitals. Benetton has also undertaken a series of initiatives with associations in the United States, Brazil, South Africa, Germany, and France engaged in the fight against AIDS.

In 1995, Benetton images were published every day for seven days in France and Italy raising donations for SOS Racisme – in aid of the poorest African countries – and for the Associazione per la Pace – in aid of war victims in Bosnia Herzegovina. In spring 1996, billboards all over the world were invaded by an image of three hearts overprinted with the words 'White, Black, Yellow' – the new anti-racist message launched by United Colors of Benetton in conjunction with SOS Racisme (see Toscani 2002). To mark the World Day Against Racism, on March 21st, United Colors of Benetton organized the first international conference of SOS Racisme at Fabbrica's headquarters. Forty delegates from 16 countries met to define a common strategy in

support of diversity and against intolerance. Thus, Benetton's efforts to build its ethical identity have continued to include both practical initiatives and strategic communication campaigns that have influenced their global operations.

Case study of Benetton in Stockholm

Drawing on the concept of business identity – and related notions of connection, consistency and coherence of core values and attributes expressed throughout the organizational identity – this case study focused on stakeholder perspectives and Benetton's corporate communications and, moreover, sought to understand Benetton's communication of their ethical values throughout various channels. It was expected that Benetton's organizational identity would have 'affinity', or connectedness, with the 'tangibility, visibility and consistency' of Benetton's overarching business identity (Balmer 2001).

Data collection included observation, videotaping, attendance at Benetton events and personal interviews. The case study methodology (Yin 2003) engaged a variety of interview subjects and sites of analysis, deriving insights from interview data and observational research (see Stern 1998). Within this research tradition, quotes from respondents serve as data which is contextualized and interpreted via a conceptual framework – in this study, the model of business identity – and may include the emergence or interrogation of categories or themes (e.g. Arnold & Fischer 1994).

Multiple sites, including some that were transitory and randomly available, were chosen for investigation, taking advantage of open access to Benetton's operations available during the study. Interviews with managers, retail employees, public relations agents and others employed by Benetton in Stockholm, Sweden, were complemented by observation of three Benetton retail outlets. Moreover, trade events, such as fashion shows, are an important element of Benetton's communication mix. Therefore, a Benetton fashion show was videotaped and several employees and attendees were interviewed to analyze how

Benetton utilizes a trade event to promote its corporate and visual identity.

Semi-structured interviews were conducted at the informants' place of work and were recorded by videotape. Themes of corporate identity, consistency and connection were discussed but not prompted. All interviews were conducted in Swedish, transcribed, and then translated into English. To adequately document Benetton's Stockholm operations, three managers – one from each of Stockholm's three Benetton stores – were selected for this study. Each was interviewed separately about their connections to Benetton's ethical values and how the retail environment expressed Benetton's corporate identity. In addition, to understand the interconnections among Benetton's various channels, the managers were asked about their interaction with Benetton's public relations agency in Sweden. The public relations consultant in charge of the Benetton fashion show was also interviewed about the agency's relationship with Benetton Italy, what directives they received from Benetton, what kind of inspiration they had when putting the trade events together and, finally, how ethical values were communicated via the fashion show. Several of the invited guests at the fashion show were interviewed after the event. The contracted DJ (disc jockey) was also interviewed during the fashion show.

Data analysis involved several steps. First, each interview was reviewed and summarized. Second, the interviews were scrutinized by the interviewers – two of this paper's authors – for insights. Balmer's (2001) model of business identity informed interview data analysis, in that themes of consistency and connection were expected. However, results from several sources converged to reveal patterns of inconsistency and disconnection. In the third step, the research team met to consider and refine the analysis and to assess the fit of themes across the interview data. Interview excerpts, as representative of a larger set of similar comments, illustrate particular aspects of the case, and highlight themes of *inconsistency* and *disconnection* in the corporate identity of Benetton in Stockholm. This contrasts with typical and recommended consistency and connection within corporate identity and corporate communication efforts

that one might expect in a large global company such as Benetton (e.g. Dutton & Dukerich 1991, He & Balmer 2007, Lievens *et al.* 2007).

Inconsistency and disconnection in Benetton store managers

Employees may feel an initial connection with Benetton's ethical values, as this exchange indicates:

Interviewer: Before you started working here, what associations did you have to Benetton?

Store manager 3: I had those classic Benetton sweaters that Benetton makes. That is how it all started some years ago. I thought everyday clothes, not so 'flashy', but standard/basic clothes for everybody with colours for everybody.

Interviewer: How did the values communicated by Benetton relate to your own values when you first started working here?

Store manager 3: Well, that was very positive for me that I was working for a company that works so hard with social issues. It is so big in Italy that it is hard to understand when you're in a store folding clothes. They support AIDS research and other things.

Interviewer: They invest in AIDS research?

Store manager 3: Yes (said hesitatingly).

This manager demonstrates the power of Benetton's ethics – she connects with their social issues, such as their support of AIDS research, making her a potential brand ambassador, one who 'lives the brand'. She 'buys in' to Benetton's ethical values, as evidenced by their (apparent) support of AIDS research.

However, when asked how they expressed Benetton's recognized ethical values and socially responsible attributes in the store design, store managers seemed unenthusiastic. Store manager 1 reported: 'Well, we receive pictures that constitute a basic foundation for Benetton's ethical points of view.' Store manager 2 simply stated: 'we receive some pictures that we put up.' When asked for clarification of the poster's promotional role, she had little to add. The exchange with store manager 3 was similar:

Interviewer: So the primary way you communicate Benetton's ethical values is through images (posters you receive)?

Store manager 3: Yeah . . . yes (seeming unsure about her answer).

She stated that she did not know where the store posters came from, nor that Fabrica – Benetton's communication and research centre – produced them, and she seemed unclear about Fabrica's strategic role, revealing inconsistencies in internal communication. The pictures on display in the Stockholm stores during this research focused mainly on Benetton's clothing, with a few images from their global campaign: none was explicitly ethical or related to Benetton's ethical initiatives over the past 20 years.

The same managers were asked how they are informed about Benetton's work with ethical values and how they are motivated to express these values in their own communication medium of the retail environment. Store manager 3 admitted:

In the stores we probably don't work so much with that, but when Benetton promotes their national campaigns then it comes out. Probably a lot of people do not know where the money goes to, social causes that they support.

Her concerns echo strategy recommendations of aligning corporate communication with all aspects of organizational identity; and she seems aware of the gap between Benetton's corporate strategy and their retail operations (what we call disconnection).

Store manager 3 complained:

There are no fashion shows organized for the stores. That would be something really positive, to get inspiration and work with the brand even more intensely. [. . .] Nobody told me anything about the fashion show you mentioned earlier (she laughs, but seems annoyed).

Once again, this manager appears motivated to deliver brand messages and articulates a strategic concern, but is thwarted by Benetton's inconsistent approach to corporate identity. When store manager 1 was asked if she had any contact with Benetton's public relations agency, she replied, 'I don't know who they are and I have not been to the fashion show that you mentioned earlier.'

I must say, we haven't received information regarding the fashion show, there must have been a mistake there ...' The exposed lack of coordination between retail strategy and the trade event revealed and, furthermore, fostered disconnection between Benetton's retail, promotional and communicative activities.

Additionally, interview statements such as these compellingly suggest that Benetton's corporate identity does not permeate their various communication channels in Sweden, and thus fails to be communicated coherently and consistently. Whereas the managers expressed a certain pride in, and generally embraced, Benetton's ethical values, their retail environments had few visual, textual or behavioural artefacts expressing the ethical connection to the company. Indeed, the image campaign created by Benetton appears to elude the Benetton store managers: they do not concentrate on this area, leaving other forms of organizational identity and corporate communication to express Benetton's business identity.

Moreover, in this case, the store managers were neither informed of, nor invited to, the Stockholm Benetton fashion show; and they expressed confusion at having been left out of such an important promotional event. Indeed, Benetton's retail stores are outlets for communication, including communication of ethical values, and the way the stores present, and participate in expressing, visual and organizational identity affects the company's business identity. In other words, advertising and website representations are necessary, but not sufficient, to create a strong visual identity. Nevertheless, Stockholm's Benetton stores provide primarily product-oriented information, with ethical issues and values incorporated indirectly via the brand logo and Fabrica's posters projecting United Colors of Benetton's multi-cultural, multi-coloured associations.

Benetton has not used the communicative tools of store design – including the way values are expressed there by employees – to connect with Benetton's visual identity. In short, these retail environments reaffirm company strategy to keep image and product apart and so crucial opportunities are missed to use retail space and staff as

brand-builders connected to a consistently communicated corporate identity. Moreover, by not including top retail managers in brand-related events, such as the fashion show, Benetton fails to connect its business identity through the organizational identity contributions of employees.

Inconsistency and disconnection at a Benetton fashion show

A Benetton fashion show provided another opportunity to examine how visual identity and ethics were integrated into the communication mix. Fashion shows are key strategic communicative tools for clothing brands (Saviolo & Testa 2002). Furthermore, we were interested to see how Benetton employees, as well as models and a DJ hired for the event, contributed to organizational identity. The fashion show took place in Stockholm and was organized by Star PR, Benetton's public relations agency in Sweden. The show was held in an elaborate underground complex, with four Benetton brands – Prince, United Colors of Benetton, Sisley and The Hip Site – promoted in various rooms. Most of the attendees were from the Swedish media and fashion industries. Music played a prominent role; and a contracted DJ played loud club music throughout the event. The models were ordinary people (not professional models) from different racial backgrounds, handpicked by Star PR.

Eschewing professional models might be seen as an attempt to express Benetton's ethical values, for example in a toleration or celebration of diversity. As the public relations informant revealed:

We never use professional models for Benetton shows. They [the models] have to be natural everyday people. We wanted people with different racial backgrounds [something that Benetton, Italy always requires].

However, a sense of inconsistency and disconnection from Benetton's corporate identity emerged, even as she elaborated on the mix of models:

Well, the multi-cultural backgrounds of the models is pretty much how we communicated Benetton's

ethical values, but we did not work so much with that when putting this fashion show together.

So, although Benetton's PR agent was aware of a corporate identity based in comprehensible ethical values, she did not emphasize this in the fashion show. Thus, despite the fact that the fashion show featured important new product introductions, an effort to incorporate Benetton's ethical values and socially responsible attributes appeared only in the casting of 'everyday people' of different ethnic appearance as models. Beyond this, however, Benetton made little attempt to connect the fashion show, including its promotional poster, its interior design, staging or printed materials, with its ethical values.

The interviews reveal tensions between corporate headquarters and local operations. Benetton's strategy of creating image campaigns with ethical values and socially responsible attributes that are globally applicable generally means that Benetton Italy exerts a high degree of control over local practice. However, our informants expose gaps in Benetton's strategic execution – Benetton's PR agency seems hindered in associating its ethical values and views with all aspects of the event. For example, an exchange with the DJ at the fashion show reveals gaps between corporate goals and local practice:

Interviewer: Is this Benetton's music that you are playing here today? [Benetton/Fabrica produces its own music for Benetton fashion shows.]

DJ: No. It's my own.

Interviewer: Did you receive directives for the choice of music?

DJ: Yes, they picked out a couple of songs (shakes his head), but I prefer my own music (smiles).

Interviewer: Have you listened to Benetton's own music?

DJ: No!

Thus, although Fabrica reveals an intention to create its own sonic landscape for the fashion show – an aural aspect of organizational identity – and produces music specifically for Benetton fashion shows, this DJ played his own music, and seems to realize that this is not what Benetton has contracted him to do.

The public relations consultant for Benetton's fashion show seemed unconcerned with any connection to the corporation's ethical values: 'They are similar [Benetton's fashion shows] in most countries. [The goal of the fashion show is] To present Benetton's clothing collections in an appealing manner.' Moreover, although they are aware of Benetton's ethical identity, fashion show attendees do not seem to connect Benetton's ethics with the retail stores in Stockholm:

Interviewer: How do the stores relate to the ethical values communicated by Benetton?

Fashion show attendee 2: Benetton's store and clothes do not live up to the image projected by their advertising. The stores seem disorganized and their clothes are sometimes quite boring.

Interviewer: Do you think about Benetton's ethical values when you're shopping or looking in their stores?

Fashion show attendee 2: No, it all boils down to if I like the clothes and that is what would drive me to purchase it.

These informants – stakeholders including fashion industry representatives, contract workers and Benetton consumers – offer a converging perspective on Benetton's overall strategy. As fashion show attendee 1 reported: 'The communication of ethical values and the store personnel's knowledge do not correlate with Benetton's ethical messages The store design does not match the ethical standpoints communicated through Benetton's advertising.' When asked to clarify, he noted, 'good advertising sets high standards and expectations.'

Together, these interviews reveal the potential problems of failing to connect powerful corporate communications with organizational identity. Benetton lost an opportunity to utilize their fashion show to communicate how their ethical stance might influence their product line. Furthermore, as noted earlier, the store managers interviewed were upset that they were not invited. In other words, Benetton also missed a chance to include employees, to draw upon and offer opportunities for organizational affinities, and to create consistency between visual identity and organizational identity.

Summary and limitations of the case study

Data from several operational sites triangulate to reveal inconsistency and disconnection in Benetton's corporate identity. Stockholm's United Colors of Benetton stores appear to neglect Benetton's ethical values, and Benetton's Stockholm fashion show failed to align itself with Benetton's visual identity. Interviews with Benetton stakeholders highlight key tensions between Benetton's strong visual identity, as communicated via their longstanding marketing campaigns and socially responsible initiatives, and its expression via organizational identity in several outlets under study (see Table 1 for a summary).

Whereas managers acknowledge affinity with Benetton's ethical and socially responsible values, the United Colors of Benetton posters available for store display were not seen to explicitly communicate these values, nor was there inspiration for incorporating and engaging those values in their retail environment. Thus, Benetton failed to capitalize on employees' positive affinity with its values, which may reduce their connection

to the workplace (Morsing 2006). Two of the managers specifically indicated that the local fashion show, to which they were not invited, might have provided such inspiration; although, as we have shown, Benetton's ethical values did not appear there either. The interviews reveal several missed opportunities to create consistent corporate identity through organizational identity resources.

This case study has contacted a limited number of informants and researched a selection of sites that may not necessarily be representative of the global operations of Benetton. However, we argue that Stockholm's activities are typical of Benetton's communication strategy throughout the European Common Market. In addition, Sweden and Swedish employees rate very highly on ethical and socially responsible organizational behaviour (Johnsson 2001; see also Svensson *et al.* 2004), which makes the results from the study provocative – one might expect to find higher levels of ethical or socially responsible expression in Sweden. We have focused on the United Colors of Benetton brand, which the Benetton group uses most actively to communicate ethical values.

Table 1: Identity framework applied to Benetton

	Concept	Benetton	Case Study Examples
Visual identity	Visual cues and corporate communications about corporate identity	Controversial advertising campaigns, corporate connections to social issues such as AIDS and global poverty	Promotional (in-store) posters, retail environments, trade event (fashion show)
Corporate identity	Corporate ethos – core attributes, strategy and values	Socially responsible and committed to ethical concerns	Benetton's long-running campaigns and involvement with causes and social organizations
Organizational identity	The mix of employees' values which are expressed in terms of their affinities to corporate, professional, national and other identities	Recruitment driven by strong corporate identity	Employees do seem to believe in Benetton, yet do not always have chance to express their beliefs
Operational identity	The active doing – interacting with customers, stakeholders, suppliers, partners and media – that often occurs outside typical corporate identity control systems	Intersection of retail spaces, employee behaviour, trade events	Contract employees operating without strong connection to corporate identity and ethics

Further research might look at Benetton's operations and marketing communications in other markets, and broaden to encompass aspects of organizational identities emerging in other corporations known for their ethical or socially responsible initiatives, such as the Body Shop, Fair Trade and McDonalds.

Discussion: insights amidst inconsistency and disconnection

An important strategy for leveraging corporate values rests in ensuring consistency between various components of business identity – including corporate communication, internal operations and top management vision (e.g. Schultz & Hatch 2006). Data from several employee groups suggest that Benetton misses opportunities to reinforce their ethical values throughout their operations, particularly overlooking the affinities of constituting organizational stakeholders, shedding light on the intricacies of aligning ethics, corporate communications and organizational identity. Benetton makes a compelling case for insights into how companies manage their ethical identities, as it remains one of the most high profile ethically linked global corporations.

A visual identity conceals as well as reveals (Balmer 2001, Dowling 2004, Karaosmanoglu & Melewar 2006), and gaps that emerge between organizational identity, visual identity and corporate identity are often thought to relate to miscommunication and misrepresentation. Recommendations to solve such problems often call for bringing corporate image or visual identity 'into line' with the corporate identity. Moreover, companies may be criticized for creating an ethical visual identity that is not supported by ethical values and socially responsible initiatives and behaviour (e.g. Baker & Balmer 1997). Further, this distinction between visual identity, corporate identity and the organizational identity may, somewhat controversially, appear to be a distinction between an image or representation and the 'real' corporation (Christensen & Askegaard 2001, Borgerson *et al.* 2006, cf. Otubanjo & Melewar 2007). Such an assumption might lead us to

describe the problem as one of bringing corporate communication into line with corporate identity.

However, in this case, Benetton's corporate identity and visual identity *do* coherently express ethical values and socially responsible attributes, but they have not consistently expressed these values throughout communication channels. In other words, companies with documented ethical values, such as Benetton, may have coherent visual and corporate identities; nevertheless, they may underestimate the importance of further communicating these ethical and socially responsible values throughout the organization, and misunderstand the employees' role in co-creating business identity.

The disconnected interaction between Benetton Italy and its Stockholm operations has contributed to the inconsistency in communicating its ethical values throughout the organization. Although Benetton stores receive catalogues for promotional items and visual identity campaigns, little retail design direction is provided. For example, Stockholm managers are left to decide for themselves whether or not to order Fabrica's promotional posters, which form a key component of Benetton's visual identity. Furthermore, in some cases store managers are unaware of Benetton's public relations agency, as shown by our informants' lack of familiarity with the Stockholm fashion show – an important local promotional event. This weak interaction between the top management and local outlets points to a failure of Benetton to capitalize on strategic elements of retail design, trade events and organizational identity to consistently communicate their ethical values across organizational channels.

Operational identity: implications for business ethics

Benetton positions itself as a company with strong ethical values in its marketing communication campaigns and social initiatives. If Benetton's marketing strategy has been to gain publicity and shock value for their ethical views, then they have been successful (e.g. Mantle 2000). However, if their goal has been to gain added value for their

corporate identity (e.g. Porter & Kramer 2006) and, by leveraging their identity, to generate an added appeal to their products, then they have been less successful – as Benetton has separated key aspects of their business identity from their ethical values and socially responsible attributes. In contrast to typical concerns that corporations project ‘empty’ ethical values without accompanying ethical and socially responsible commitments, Benetton appears to be a company with a strong ethical identity that fails to express consistently those values throughout their operations. In other words, Benetton’s ethical reputation fails to inspire their organizational identity.

Pruzon (2001a) suggests that corporate reputation operates via two perspectives: a *pragmatic* perspective, focused on traditional measures of corporate success, and largely concerned with corporate image; and a *reflective* perspective focused on organizational identity, or the inherent character of the organization, rather than its outward appearance. In Benetton’s case, we argue that their hard-won pragmatic image is not well aligned with aspects of their reflective identity, including disconnection and inconsistency in their communications and operations. Benetton’s employees do express such a reflective perspective, and many are drawn to Benetton because of their perceived ethics, yet Benetton has not fully integrated such valuable resources into their operations. This points to potential blindspots in the business identity model regarding, for example, trade events, retail environments and contract workers.

In light of this, we suggest that *operational identity* provides a useful addition to the business identity model. Operational identity captures the active doing of the organization’s operations, including choosing retail design, supervising personnel, staging trade events and training contract employees. Paying greater attention to operational identity may force organizations to consider a wider range of factors when building and communicating corporate identity. Operational identity might also serve as a guide to stakeholders who must make choices in aligning overall business identity.

Corporations that stake their business identity on ethical values and socially responsible attributes should increase efforts to communicate

these throughout their operations, including retail stores, lower level employees, trade events and contract staff – often overlooked components of organizational identity – in part to improve consumer perceptions. Some research has reported that ethical initiatives have little impact on consumers’ purchase behaviour (e.g. Creyer & Ross 1997, Carrigan & Attala 2001). However, other studies have identified ethical consumers who actively connect consumption choices to ethical concerns – such as fair trade, labour practices and environmental policy (Drumwright & Murphy 2001, Dickinson & Carsky 2005). A recent literature review suggested that consumers respond positively to social initiatives (Bhattacharya & Sen 2004). Moreover, survey research revealed an ‘ethical minority’ market segment of about 15% of British consumers upon whose purchase behaviour corporate responsibility has a strong influence (Worcester & Dawkins 2005).

Of course, consumers do not have to consume a company’s products in order to consume, and relate in various ways, to the visual identity (Schroeder 2002). In other words, even if a consumer has no current interaction with Benetton’s products, the visual identity he or she carries has the potential to influence purchase behaviour in the future.

In many cases, ethics and social commitments can strengthen corporate identity (e.g. Bhattacharya *et al.* 2004). Moreover, in a recent discussion of consumer attitudes toward corporate branding, Palazzo and Basu (2007: 333) argue ‘brand success in the future is likely to demand more than superior product performance, placing increasing demand on corporations with regard to a broader envelope of socially responsible behavior’. Thus, successful brands may rely more strategically upon ethics, social responsibility and environmental concerns to connect with consumers. A consistently communicated identity can make the company more competitive because the corporation becomes more unique and distinct. Benetton’s disconnected and inconsistent communication, especially in relation to organizational identity, exposes an extensive gap between ethical focus and corporate identity – but not the usual gap between a strong image and an empty identity. Rather, Benetton fails to effectively

utilize the ethical identity that it has been building for many years.

Conclusion

This article sheds light on often-neglected aspects of corporate identity and ethical values by showing how Benetton failed to use its socially responsible visual identity to inform and inspire its organizational identity via retail managers, contract employees and trade events. Many companies have been criticized for failing to live up to their ethical identity, or constructing a 'hollow' visual identity. In this case, we argue that Benetton had indeed built a viable ethical and socially responsible identity via both communication and action, but failed to operationalize that identity throughout the organization. Thus, in acting like a 'mere clothing retailer', Benetton may lose opportunities to connect consumers with its powerful ethical identity, built up via an enormously successful campaign that created a leading global brand.

By overlooking their operational identity, companies may fail to connect their ethical values to this aspect of organizational identity by missing out on the added value to be gained from building ethical values and socially responsible attributes into their business identity. We conclude that consistency in communicating ethical values and socially responsible attributes, and coherence in connecting these values throughout business identity, do indeed influence the relationships between organizational identity, corporate identity and ethical values. We suggest that operational identity may be a useful concept for further research. Acknowledging how these strategic concepts intersect in practice may prove crucial to capitalizing on the potential benefits that such initiatives offer corporations, consumers and a broad range of social stakeholders.

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