

**A STUDY ON BRAND IMAGE STRATEGY IN OVERSEAS MARKET**

**By**

**Hyun-Young Chae**

**THESIS**

Submitted to  
School of Public Policy and Management, KDI  
in partial fulfillment of the requirements  
for the degree of

**MASTER OF STRATEGY AND GLOBAL MANAGEMENT**

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## **ABSTRACT**

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This study examines marketing research studies on the image of domestic and foreign companies in overseas markets in the hopes of understanding the areas of difference and similarity between Korean companies and the best and most respected companies in the world. According to the examination, there are clear differences between Korean companies and the world's "most desirable" companies. In spite of its advantages, Korean companies still fail to command a high level of recognition or respect in overseas markets. In particular, this study examined a comparison of Samsung, as Korea's most representative Korean company, with Sony, the world's most desirable company. It also compares and contrasts the images of the two companies' CEOs. Finally, the paper offers recommendations, based on an evaluation of the study results, for how Korean companies can improve their corporate image and hence achieve greater success throughout the world.

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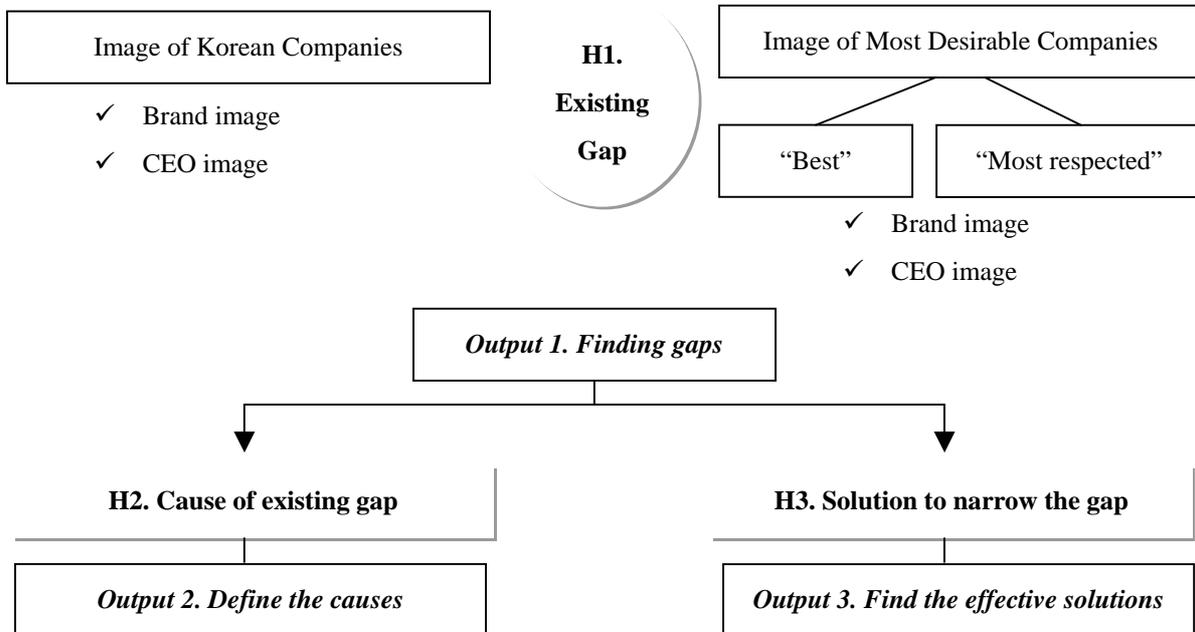
## **I. INTRODUCTION**

With Korea's domestic household expenditures at substantially depressed levels in recent years, many Korean companies are showing greater interest in overseas markets. However, most Korean companies have not made much effort to gather the kinds of up-to-date global market information that could help them in their overseas marketing strategies. Until now, overseas marketing research has been conducted only by a few large companies that can afford the high costs involved. Even then, most of their studies have concentrated on simply calculating their brand index scores, which do not help companies to identify their weaknesses and devise details to overcome them.

Under this backdrop, this paper attempts to examine the results of two previous marketing research studies on Korean brands and CEO images in foreign markets, each of which was conducted on a different group of respondent. It is hoped that the paper will be able to offer effective answers to Korean brands seeking to communicate their message in overseas markets.

## A. HYPOTHESIS

**Figure 1: Diagram of Hypothesis**



This study expects to discover a significant gap between the image of Korean brands and those of the world’s most desirable companies. Finding the evidence of its existence enables us to define the cause of the gap and even to solve the problem. As is shown in Figure 1, corporate brand image and CEO image have been chosen as two primary areas of evaluation. The objective of the study is to develop effective solutions to help Korean companies successfully communicate their brand images, as well as the image of their CEO, in overseas markets, and thus enable them to build the foundations of a future growth to a global company. The term “company” will be used synonymously with “brand” throughout the paper.

## B. OVERVIEW

The results of two previous studies were used as the basis for this paper. Both studies were conducted by TNS Korea in 2003, and cover representative markets worldwide.

To ensure the accuracy of results, both studies carried out careful and well-devised recruiting and briefing steps prior to actual fieldwork. Pre-designed screening questionnaires were used in the selection of suitable respondents. In Study 1, a face-to-face interview briefing was carried out by TNS Korea before the actual fieldwork. The detailed scope of each study is shown below;

### Study 1. Opinion Leader Brand Image Study<sup>1</sup>

- Methodology: In-depth, one-on-one interviews (Qualitative)
- Target countries: China, Germany, Japan, Singapore, the U.K. and the U.S.A.
- Sample size: Total N=180 / N=30 per country
- Target respondents: Opinion leaders in each region / N=10 per target group
  - From business: CEOs, COOs, CFOs, financial analysts and consultants
  - From media: Journalists, reporters and PR specialists
  - From NGO/Academics/Government: business school professors, government officers and managers in global NGOs
- Fieldwork Schedule
  - Pilot test: July 14 – 5
  - Media study & Briefing: August 4 – 14
  - Fieldwork: August 4 – September 19

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<sup>1</sup> Hereby referred to as “Study 1”.

## Study 2. Consumer Brand Image Study<sup>2</sup>

- Methodology: One-on-one, face-to-face interviews (Quantitative)
- Target countries: Germany, France, Italy, Spain, Russia, U.K., U.S.A., India, Thailand and UAE/KSA<sup>3</sup>
- Sample size: Total N=4,000 / N=400 per country
- Target respondents: Males and females, aged 20~44, medium income levels or higher, high school graduates or higher
- Fieldwork Schedule:
  - Briefing: June 5 - 10
  - Fieldwork: June 10 - July 1

Study 1 covers all companies in all product categories, whereas Study 2 is limited to the consumer electronics brands. “Opinion leaders” in this study refers to professionals in a variety of global-oriented industries and fields. Nevertheless, in some cases their opinions are largely based on their personal experience with the brands or products, rather than their professional experience.

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<sup>2</sup> Hereby referred to as “Study 2”.

<sup>3</sup> In this study, UAE and KSA were considered to be one region (country).

## **II. CORPORATE IMAGE**

### **A. IMAGE OF THE WORLD'S "MOST DESIRABLE" COMPANY**

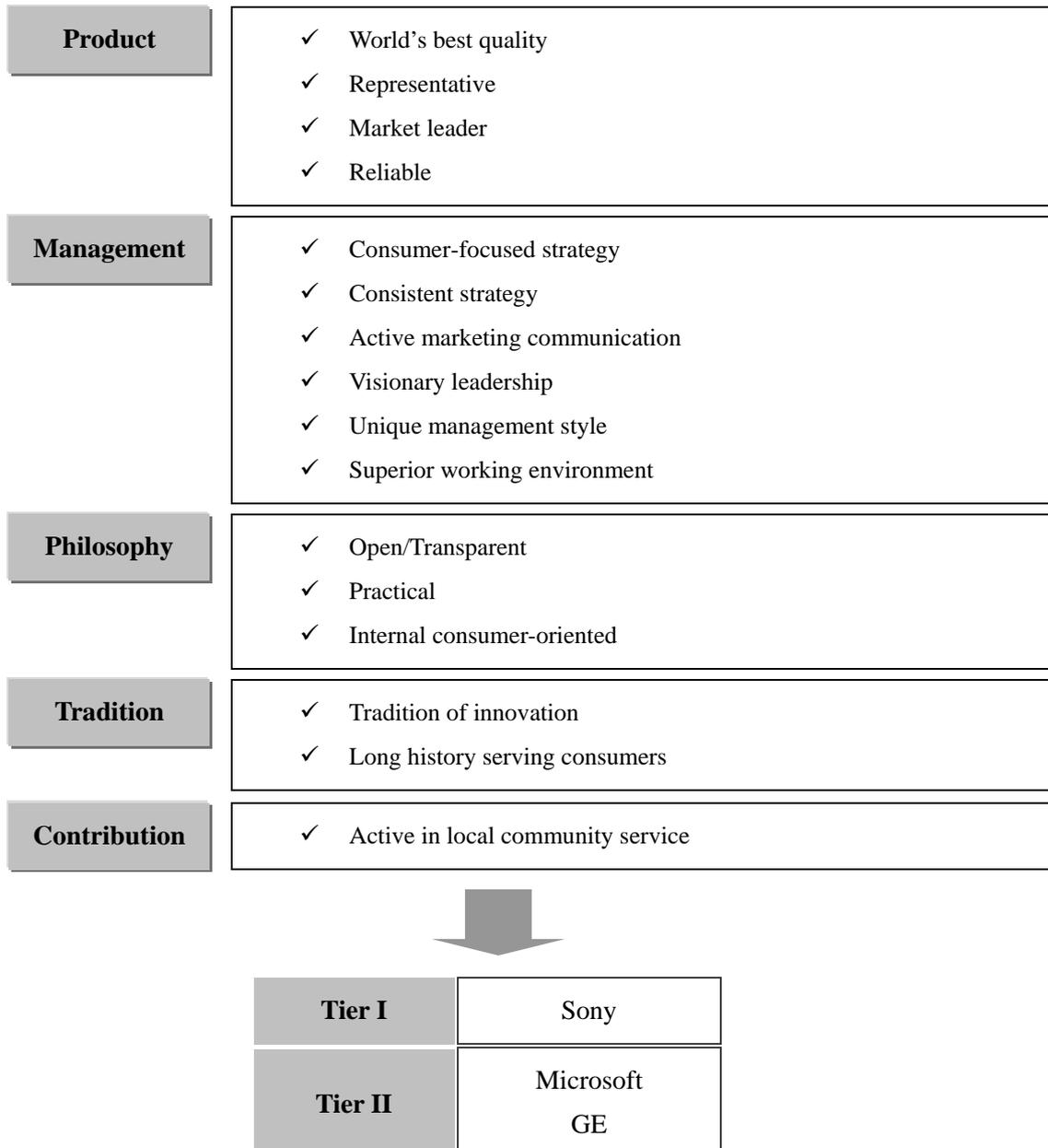
Each respondent answered voluntarily without any limitation of precondition and the resulting answers were categorized into following five sections for basis of analysis.

- Product
- Management
- Philosophy
- Tradition
- Contribution

Before proceeding, there is a need to clarify several definitions. Study 1 and Study 2 were primarily concerned with two standards of evaluation: the world's "best company," and the world's "most respected" company. Based on the initial hypothesis, several interviews were conducted to understand the relationship of the concept of the world's "most desirable" with the concepts of the world's "best" company and the world's "most respected" company. The results of these interviews showed that most respondents understood the difference between the terms "best" and "most respected" in the corporate image context.

When asked whether there is a difference in their definitions of the "best company" and the "most respected" company, most respondents answered that the two terms were indeed different. Their stated requirements for "best" company and "most respected" company, in terms of the five above-listed categories, are shown in Figures 2 and 3 below.

**Figure 2: Characteristics of the World’s “Best” Company<sup>4</sup>**



<sup>4</sup> According to respondents in Study 1.

**Figure 3: Characteristics of the World’s “Most Respected” Company<sup>5</sup>**

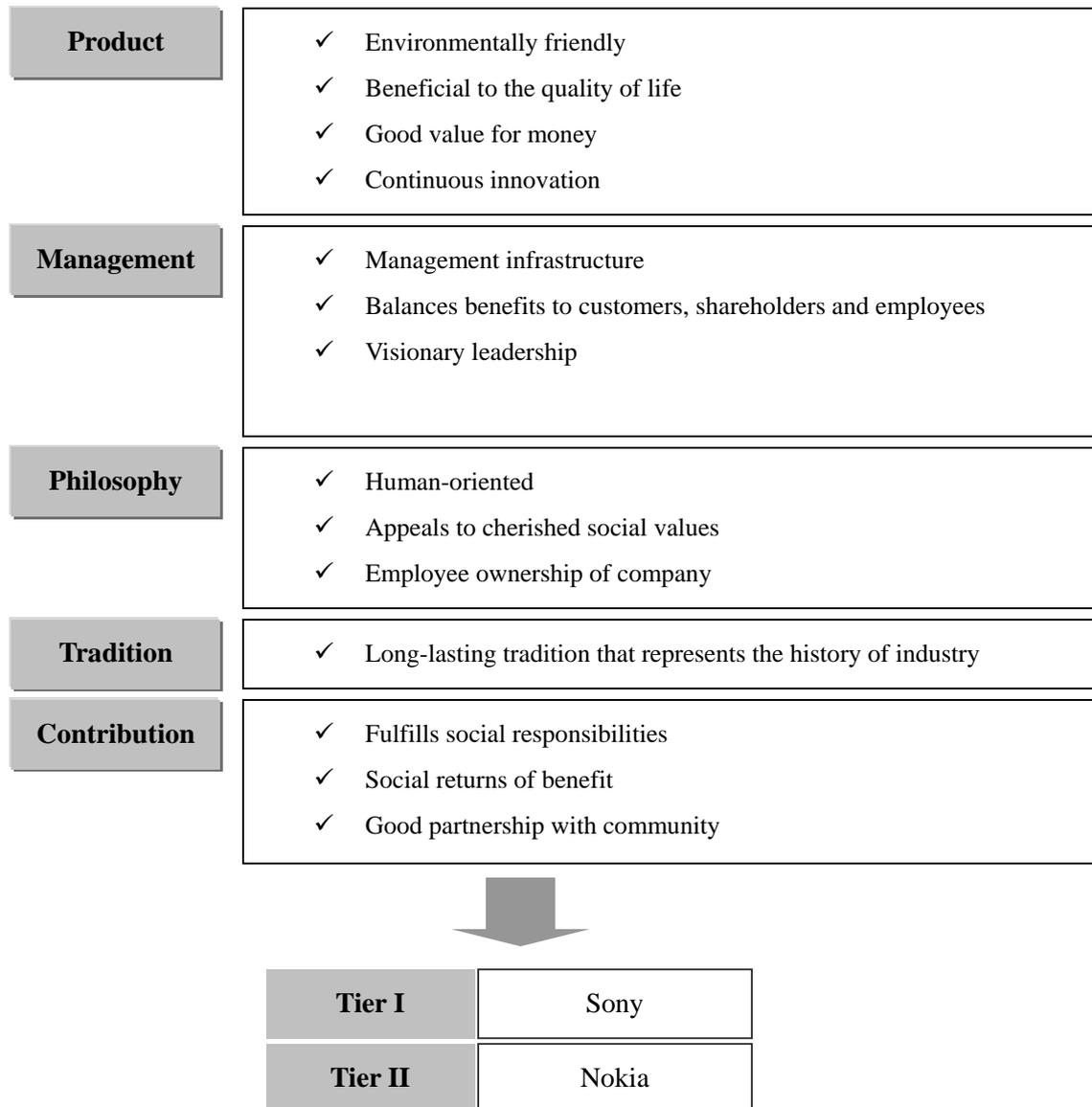


Figure 2 shows the characteristics/requirements of the world’s “best” company, and Figure 3 displays the characteristics/requirements of the world’s “most respected” company. Through a comparison of the characteristics in the two figures, we can see

<sup>5</sup> According to respondents in Study 1.

that the respondents expect the world’s most respected company to contribute to the social good and the quality of life to a greater extent than they expect of the world’s best company. The most respected companies are also expected to adhere to higher ethical standards. Moreover, most respected companies are associated with continuous innovation in the market.

Sony ranks as a Tier 1 brand in terms of both the “best” and the “most respected” criteria. Microsoft and GE are regarded as second tier in the world’s best category, while Nokia is considered the world’s most respected company because of its environmentally friendly image and its high level of professionalism in the mobile phone industry.

As shown in Figure 4, Sony’s brand image is considered to be the best and the most professional, mainly because it offers the most up-to-date gadgets and newest technology. Along with product reputation, being a Japanese company plays a positive role in terms of product quality, design, philosophy and tradition.

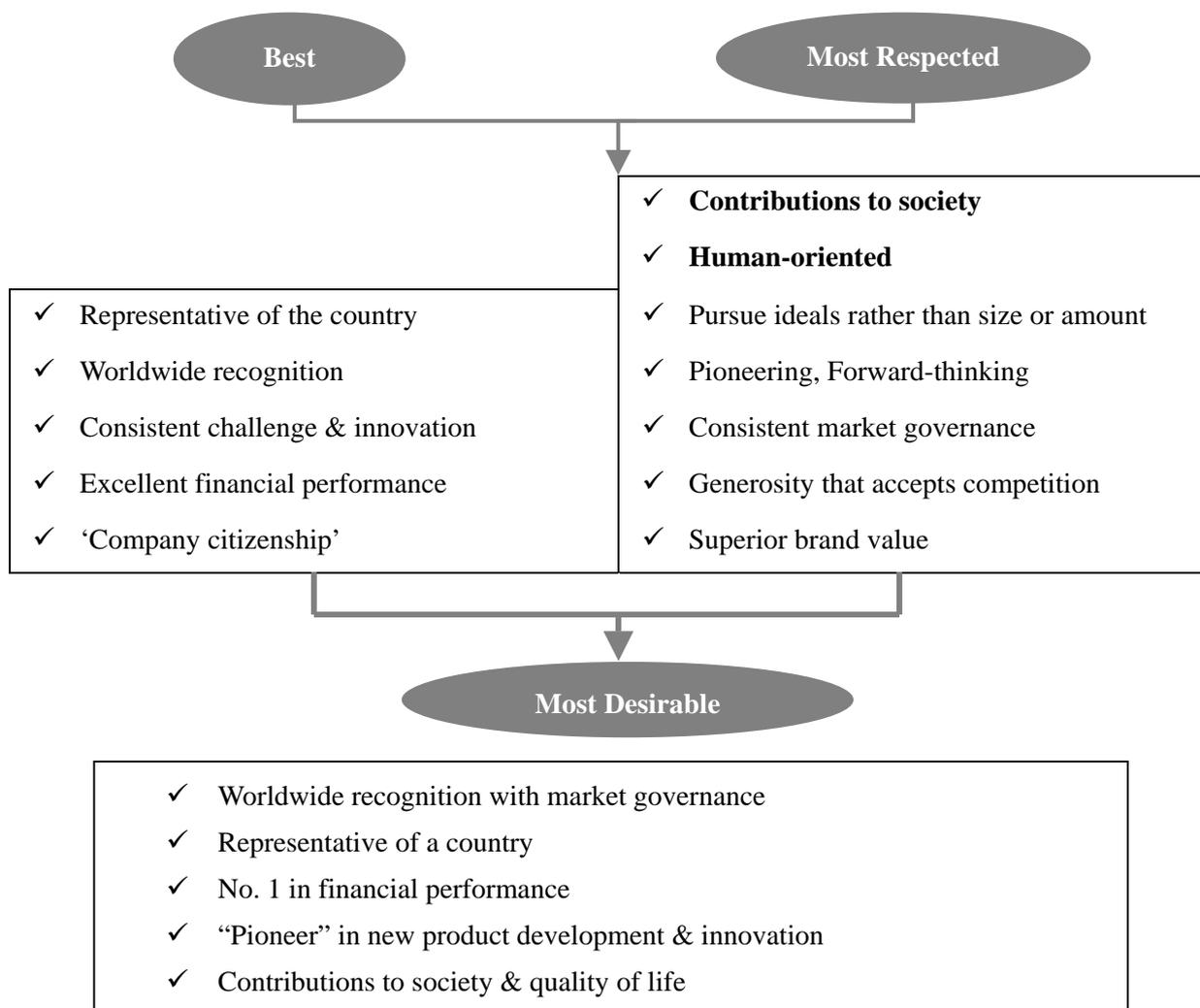
**Figure 4: Strength of the Sony Brand<sup>6</sup>**

<b>Product</b>	<b>Management</b>	<b>Tradition</b>	<b>Philosophy</b>	<b>Contribution</b>
<ul style="list-style-type: none"> <li>- Representative ‘Sony’ product</li> <li>- Most updated product lines</li> <li>- Fast development</li> <li>- Stylish design</li> </ul>	<ul style="list-style-type: none"> <li>- Great risk management</li> <li>- CEO image gives trust and familiarity</li> <li>- Global leadership</li> <li>- Competence as the first mover</li> <li>- Great positioning</li> <li>- Transparent</li> </ul>	<ul style="list-style-type: none"> <li>- Long history</li> <li>- Stability and trust</li> <li>- Public acknowledge</li> <li>- High industry contribution</li> </ul>	<ul style="list-style-type: none"> <li>- Cultural and social relationship</li> <li>- Pride of being a member of society</li> </ul>	<ul style="list-style-type: none"> <li>- Local society contribution</li> <li>- No labor issues</li> <li>- Environmental contribution</li> </ul>

<sup>6</sup> Results based on Study 1.

Figure 5 exhibits the key characteristics of the world’s most desirable company. Again, the concept of ‘the best’ and ‘the most respected’ company shows different aspects. However, being the most respected company means that the company is already qualified to be the best company in most aspects.

**Figure 5: Characteristics of the World’s Most Desirable Company<sup>7</sup>**



<sup>7</sup> Results based on Study 1.

## B. Diagnosis of the Image of Korean Companies<sup>8</sup>

The brand equity of Korean companies has improved in recent years. Based on the Interbrand's analysis of global brand value, Samsung ranked No.25, with its brand valued a 108.5 million USD. As shown in Table 1, the Samsung's brand value rose rapidly over the previous year, while that of Sony decreased somewhat, to No.20. Thus, according to this study, the gap in brand value between these two companies is fairly small.

**Table 1: Interbrand brand value ranking in 2003<sup>9</sup>**

<b>Rank</b>	<b>Brand</b>	<b>2003 Brand Value (Amounts in million USD)</b>	<b>% of Change</b>
1	Coca Cola	704.5	+ 1.0
2	Microsoft	651.7	+ 9.2
3	IBM	517.7	+ 9.1
4	GE	423.4	+ 2.0
5	Intel	311.1	+ 6.1
6	Nokia	294.4	- 2.0
20	Sony	131.5	- 5.0
<b>25</b>	<b>Samsung</b>	<b>108.5</b>	<b>+ 31.0</b>

However, a closer comparison with Sony can provide further insight into the current reputation and status of Korean companies in the consumer market. Sony is recognized as the world's most desirable company, demonstrating excellence in all aspects. In contrast, Korean companies only reach medium-grade in overall aspects, according to

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<sup>8</sup> "Korean company" hereby refers to any of the top 5 Korean companies.

<sup>9</sup> Source: Interbrand Brand Value Ranking (2003), [www.interbrand.com](http://www.interbrand.com)

our recent studies. The typical impression of Korean companies is that they have good products and management, but are devoid of tradition. Korean companies are given high marks for their speed of product development and innovation, but they are also thought to lack stylish design, a strong philosophy, significant contributions to the community, or corporate reliability. Interestingly, the image of the Korean company is very similar to that of Korea as a nation. In interviews with respondents participated in Study 1, it appears that their answers to the question were severely influenced by their impressions of Korea, whether positive or negative.

**Figure 6: Positive characteristics of the representative Korean company<sup>10</sup>**

Product	<ul style="list-style-type: none"> <li>✓ Fast new model launching</li> <li>✓ Value for money</li> </ul>
Management	<ul style="list-style-type: none"> <li>✓ Active in globalization</li> <li>✓ Good risk management</li> <li>✓ Modern human resources management</li> </ul>
Philosophy	
Contribution	
Tradition	<ul style="list-style-type: none"> <li>✓ Relatively young</li> </ul>
<hr/> <hr/>	
Korean Image	<ul style="list-style-type: none"> <li>✓ Hard-working</li> <li>✓ Fast development and innovation in product quality</li> </ul>

<sup>10</sup> For Figure.6 & Figure.7, results based on Study 1.

**Figure 7: Negative characteristics of the representative Korean company**

Product	<ul style="list-style-type: none"> <li>✓ Medium level product for mass consumers</li> <li>✓ Lack of representative 'company owned' product</li> </ul>
Management	<ul style="list-style-type: none"> <li>✓ Rigid management style</li> </ul>
Philosophy	<ul style="list-style-type: none"> <li>✓ Up-down corporate culture</li> </ul>
Contribution	<ul style="list-style-type: none"> <li>✓ Low contribution to the local community</li> </ul>
Tradition	<ul style="list-style-type: none"> <li>✓ Short tradition</li> </ul>
<hr/> <hr/>	
Korean Image	<ul style="list-style-type: none"> <li>✓ Inferior image in terms of product design &amp; quality</li> <li>✓ Lack of confidence</li> </ul>

Figures 6 and 7 show the positive and negative characteristics mentioned with regard to the image of Korean companies. It can be seen that Korean companies get few or no points in the areas of philosophy or tradition. Furthermore, most respondents did not have sufficient information about Korean companies, and they have no significant exposure to Korean companies via media. This means that the marketing of Korean companies has been largely unsuccessful in foreign markets, despite the fact that they have been working intensively on their communications efforts in overseas markets. Based on the answers of respondents, it appears that Korea's conglomerates have a long journey in terms of establishing a positive and strong corporate image overseas.

Figure 8 summarizes the gaps between the most desirable company and large Korean companies. According to the studies, the images of large Korean companies are

not very close to those of most desirable company, in virtually all aspects. However, because immeasurable aspects such as competence, familiarity, trust and flexibility, rather than the visible ones such as product design or quality, are largely ignored by consumers because of insufficient media exposure and personal experience, many overseas consumers are not familiar with the attractive aspects of Korean companies. Thus, even their products, service and management are somewhat underestimated relative to the world's most desirable company's.

The fact that Korean companies have not gained enough media exposure and that consumers do not have adequate experience with Korean companies suggests that consumers are not aware of the positive aspects of what Korean companies have, but assume that their product, service and management are somehow not as good as the world's most desirable companies.

**Figure 8: The corporate image of large Korean companies<sup>11</sup>**

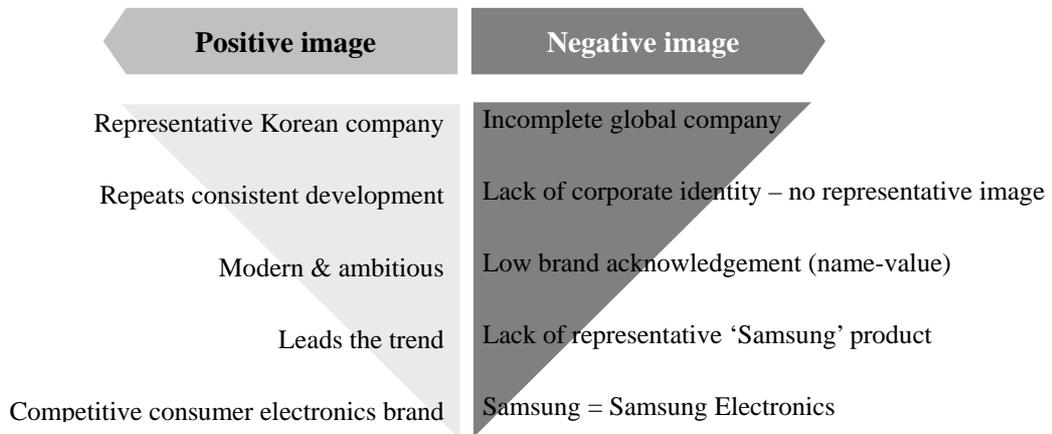
Contribution	Philosophy	Tradition	Management	Product
<ul style="list-style-type: none"> <li>- Lack of flexibility</li> <li>- Unstable environment with labor issues</li> </ul>	<ul style="list-style-type: none"> <li>- Lack of social relationship</li> <li>- Insufficient in building positive image as a member of society</li> </ul>	<ul style="list-style-type: none"> <li>- Short history</li> <li>- Stability and trust is lacking due to a performance within short period</li> <li>- Lack of public acknowledgement</li> <li>- Low industry contribution</li> </ul>	<ul style="list-style-type: none"> <li>- Lack of competence as the first mover</li> <li>- Not familiar</li> <li>- Positioning problem</li> <li>- Invisible CEO</li> <li>- Not transparent</li> </ul>	<ul style="list-style-type: none"> <li>- Lack of 'Company owned' product</li> <li>- Lack of variety</li> <li>- Design not as good as quality</li> <li>- Imitator image</li> </ul>

<sup>11</sup> Results based on Study 1.

### C. CASE STUDY OF A KOREAN COMPANY

In this section, we will present some qualitative and quantitative data to provide a more detailed understanding of one of the top five Korean companies, Samsung. According to Study 2, conducted on consumers, both Sony and Samsung are mostly known as consumer electronic companies, regardless of how many subsidiaries they have. But their attitudes towards these companies show a significant difference in many respects, as shown in Figure 9.

**Figure 9: Samsung brand image**<sup>12</sup>



Although Samsung is considered to be a representative Korean brand, it is still not considered a completely global company. In spite of its consistent growth and positive

<sup>12</sup> Results based on Study 1.

corporate image – frequently described as ‘modern’ and ‘ambitious’ – Samsung has not been successful in its branding efforts in the overseas consumer markets.

One of the negative points mentioned is that the Samsung brand is thought of as Samsung Electronics, and that no other subsidiaries in Samsung group are as well-known to the respondents or the overseas public. An internal study conducted by Samsung in 2001<sup>13</sup> illustrated that managers of Samsung Electronics and other subsidiaries were already aware of the similar problem; however, attitudes on that issue varied, depending on personal interests. For example, managers in Samsung Electronics are worried of this as weakening the strength of Samsung Electronics, while those in other subsidiaries even expect it to help each of their companies do business in the overseas market without high communication cost.<sup>14</sup> There was a consensus that it is necessary for the Samsung master brand to establish a more transparent management system to maximize the effect of its global communication efforts.

As shown in Figure 10, of the global communications efforts conducted by Samsung, charity work or cultural marketing support was not highly evaluated by respondents, and other communication methodologies are also reported as very ineffective. In general, Samsung’s overseas communication does not effectively communicate its corporate identity.

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<sup>13</sup> Internal employee study conducted by Samsung in 2001

<sup>14</sup> Over 90% of global advertising and communication costs were spent by Samsung Electronics in 2002.

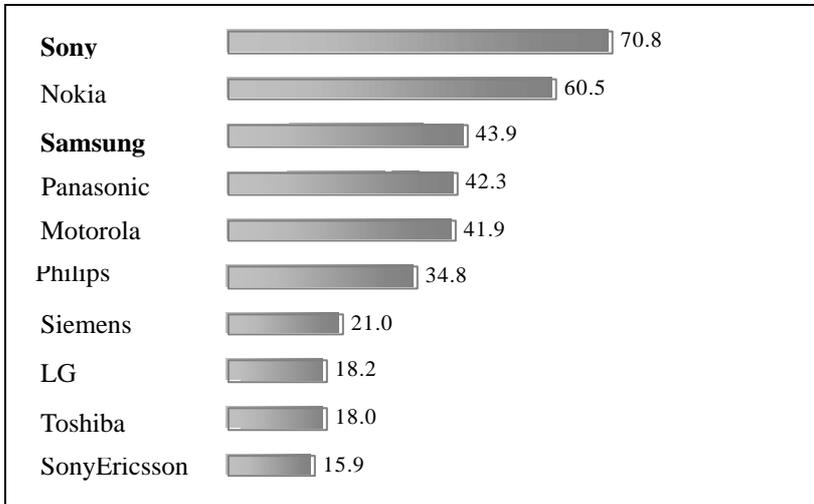


**Figure 10: Samsung communication effectiveness evaluation<sup>15</sup>**

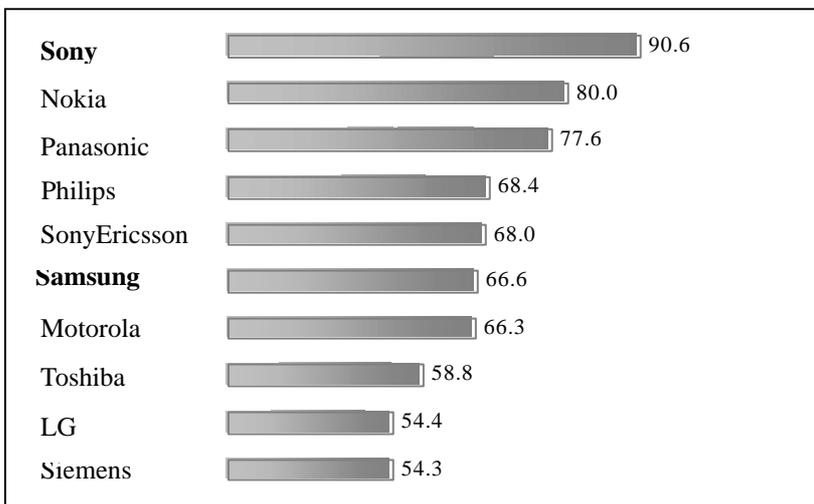
<b>Advertising</b>	<i>Media Advertising</i>	<ul style="list-style-type: none"> <li>✓ Separated from product purchase</li> <li>✓ Lack of variety of activities</li> <li>✓ Not appealing message delivery</li> </ul>
<b>Sponsorship</b>	<i>Olympic Sponsorship</i>	<ul style="list-style-type: none"> <li>✓ Negative image of IOC</li> <li>✓ Separated from consumers</li> <li>✓ Not effective method – same as other companies</li> </ul>
<b>Co-Marketing</b>	<i>Matrix</i>	<ul style="list-style-type: none"> <li>✓ Imitator image (Not the 1st trial)</li> <li>✓ Not effective</li> </ul>
<b>Culture Marketing</b>	<i>Asian Art Museum</i>	<ul style="list-style-type: none"> <li>✓ Lack of awareness</li> </ul>
<b>Charity Donation</b>	<i>Four Season's of Hope</i>	<ul style="list-style-type: none"> <li>✓ Low awareness</li> </ul>
<b><u>Overall</u></b>		<ul style="list-style-type: none"> <li>✓ <i>Not enough to provide corporate identity</i></li> <li>✓ <i>Ineffective communication with unclear message</i></li> </ul>

<sup>15</sup> Results based on Study 1.

**Figure 11: Consumer electronics unaided brand awareness<sup>16</sup> (Unit: %)**



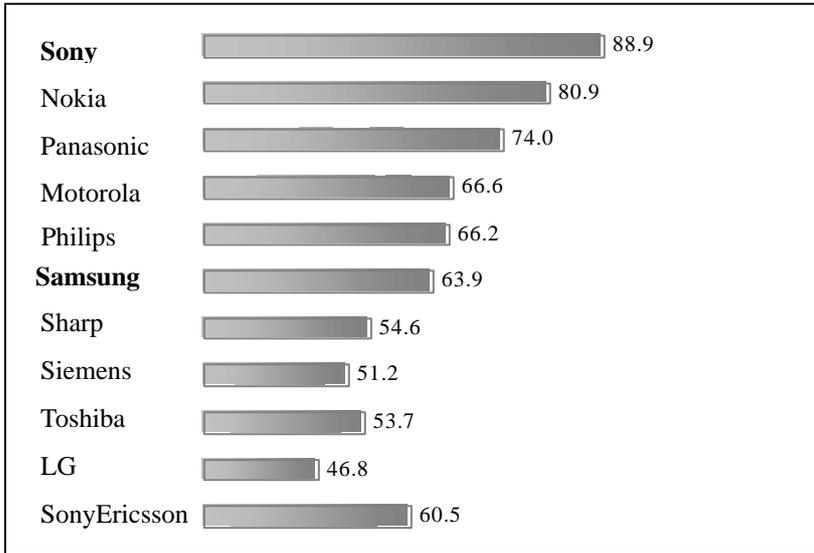
**Figure 12: Consumer electronics brand preference<sup>17</sup> (Unit: %)**



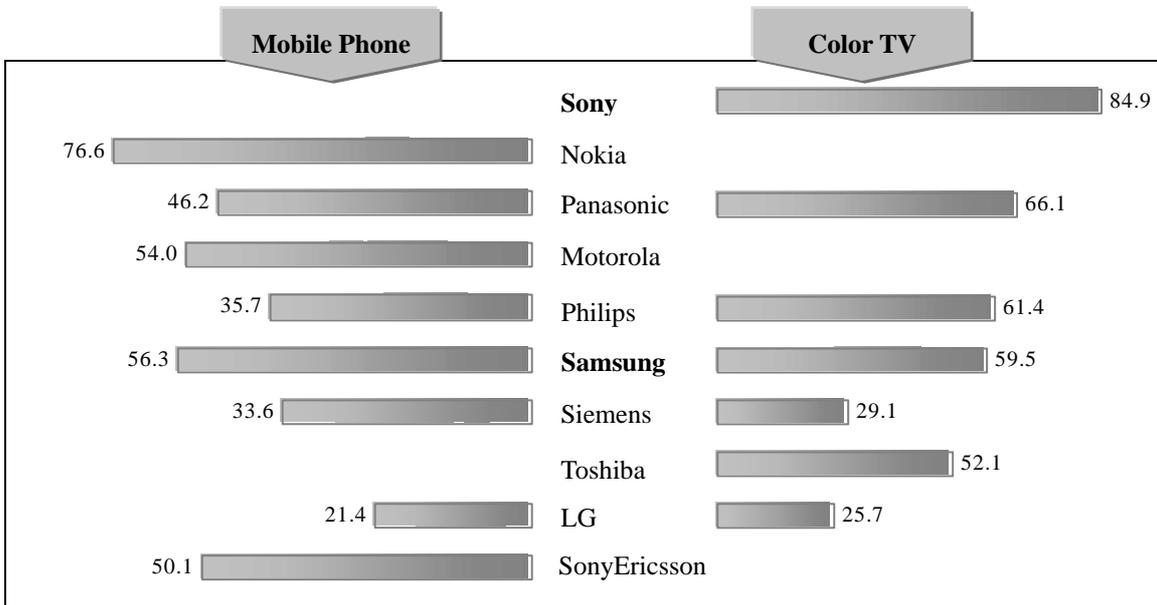
<sup>16</sup> From Figure 11 to Figure 14, results based on Study 2.

<sup>17</sup> Percentage of top 3 boxes, based on 7-point scale, with “7” meaning ‘Very much like the brand,’ “4” means ‘Neither like nor dislike,’ and “1” means ‘Do not like the brand at all’.

**Figure 13: Consumer electronics brand familiarity<sup>18</sup> (Unit: %)**



**Figure 14: Consumer electronic brand purchase intention<sup>19</sup> (Unit: %)**



<sup>18</sup> Percentage of top 3 boxes, based on 7-point scale, with “7” meaning ‘very much familiar with the brand,’ 4 meaning ‘somewhat familiar’ and “1” meaning ‘not familiar with the brand at all.’

<sup>19</sup> For each product category, mobile phone and color TV, only relevant brands are evaluated.

Percentage of top 3 boxes, based on 7-point scale, with “7” meaning ‘very much likely to purchase the brand,’ “4” meaning ‘somewhat likely,’ and “1” meaning ‘not at all likely to purchase the brand.’

Figures 11, 12, 13 and 14 quantitatively represent the comparative brand status of Sony and Samsung in the global market. Sony ranks No.1 in all aspects, including unaided brand awareness, brand preference, brand familiarity and brand purchase intention. Samsung falls into Tier 2 in the same categories.

In addition, ‘Brand Power Index (BPI)’<sup>20</sup> is especially useful in measuring the brand power. BPI is only based on the quantitative brand awareness score measured in Study 2. It measures the brand power among respondents who are aware of the brand. The score is calculated by the following formula, and the research results are shown in Table 2:

$$\frac{\text{Brand top-of-mind awareness}}{\text{Brand unaided awareness}} \times 100$$

Samsung brand’s BPI falls into Tier 2, Sony and Nokia fall into Tier 1.

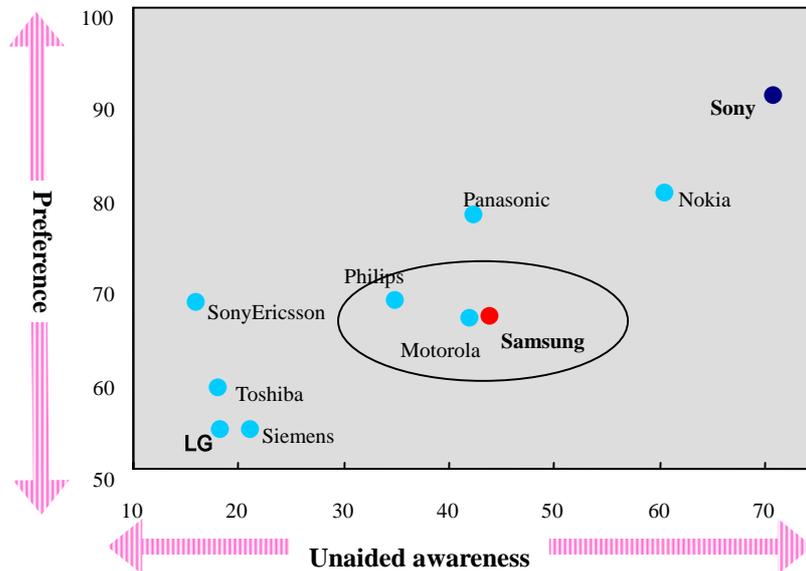
**Table 2: Consumer electronics brand power index<sup>21</sup>**

	<b>2003 BPI</b>
Nokia	40.7
<b>Sony</b>	<b>33.8</b>
Motorola	27.7
LG	24.2
Panasonic	18.4
<b>Samsung</b>	<b>16.2</b>
Siemens	16.2
Philips	13.8
Toshiba	10.6
SonyEricsson	6.3

<sup>20</sup> This index is used as part of a brand measurement system by Samsung and Cheil Communications, Samsung’s global communications agency.

<sup>21</sup> Results based on Study 2.

**Figure 15: Competitive positioning of consumer electronics brands<sup>22</sup>**

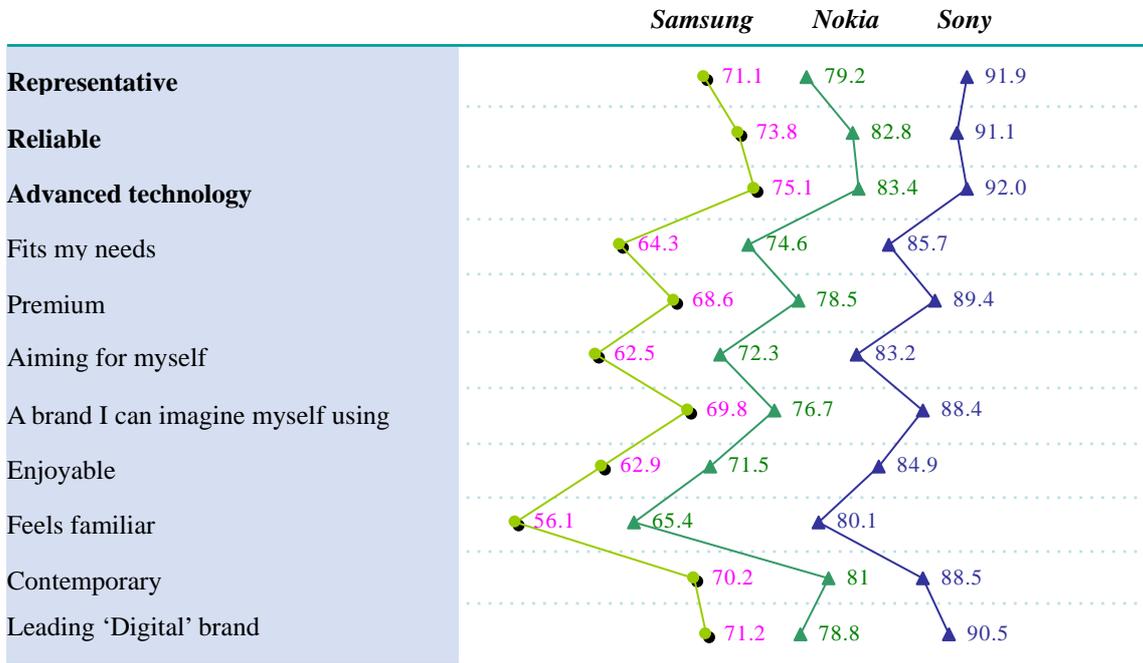


According to the relative brand competitive positioning in Figure 15, which represents unaided brand awareness, the Samsung brand falls into Tier 2, close to Motorola or Philips, but far from Sony.

Figure 16 in the next page shows a comparison of image evaluations of Sony, Nokia and Samsung. As is shown, Sony ranks as the top brand in all attributes. Sony's is considered to be more distinguished in such attributes as 'advanced technology,' 'representative brand,' 'reliable brand,' and 'leading brand in the digital field'. This result is consistent with the results from Study 1, making Sony the most desirable company among the evaluated brands.

<sup>22</sup> Figure 15 & Figure 16 results based on Study 2.

Figure 16: Comparative evaluation of brand image<sup>23</sup>



### III. CEO IMAGE

#### A. WORLD'S BEST & IDEAL CEO IMAGE

For a company to be the most desirable company in the world, there is still the remaining question of which type of CEO is most suitable for the world's most desirable company. Should the CEO be more active in various non-business related areas, or should he/she hide from the public and remain a pure business person?

In his book 'What the Best CEOs Know,' Jeffrey A. Krames selected the 7 best

<sup>23</sup> The percentage of top 3 boxes are based on 7-point scale, with "7" meaning 'very much agree,' "4" meaning 'neither agree nor disagree,' and "1" meaning 'do not agree at all.'

CEOs based on the following criteria of leadership:

- ✓ Vision of looking inside from outside
- ✓ Evangelical leadership – attracts public with passion
- ✓ Understands the importance of culture
- ✓ Creates visionary products, process & solution
- ✓ Select the best idea & execute regardless of its source
- ✓ Systemize meaningful leadership knowledge

Characteristics of the world's best and ideal CEOs have been identified by the opinion leaders of Study 1, as follows. These characteristics are not very different from Krames' suggestion.

#### Characteristics of the world's best & ideal CEO

- ✓ **Highly responsible for the human being and the society**
- ✓ Strategic vision presenter
- ✓ Corporate PR specialist
- ✓ Creative and challenging
- ✓ Excellent manager
- ✓ Good listener
- ✓ Leader of change and innovation
- ✓ Role model of a corporate success
- ✓ Cool judgment

The world's best and ideal CEO is described as the best communicator of a company, both internally and externally. Among the above characteristics, it is noteworthy that people expect the CEO to be someone who can contribute to the society and community and act as a role model in the society that the company is involved in. According to respondents, the best CEOs are those who are out in the public and communicate actively with the press and media in various areas.

#### The world's best CEOs

**Tier 1.** Bill Gates (Microsoft)

Jack Welch (GE)

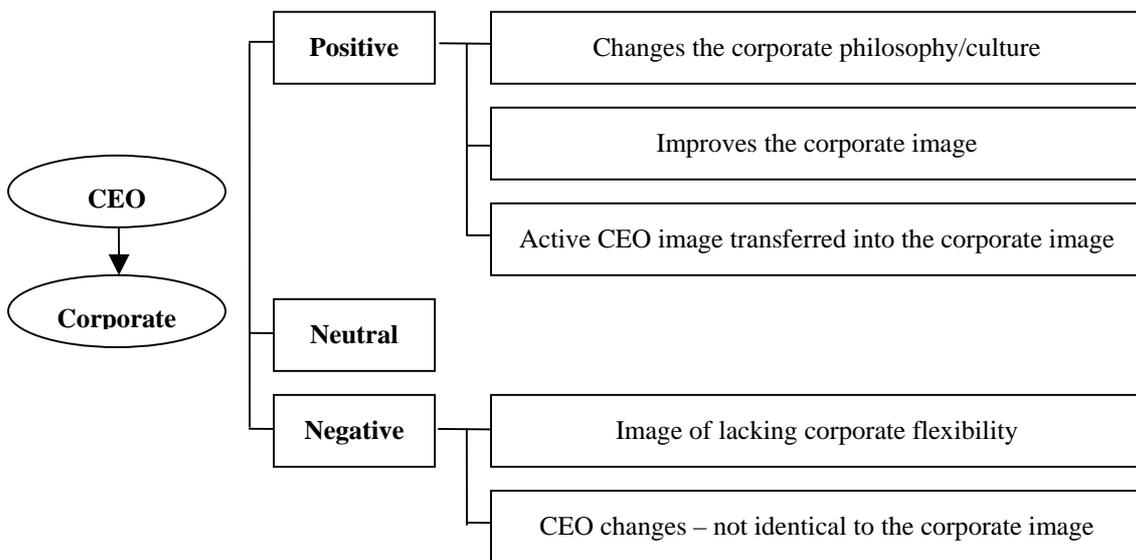
**Tier 2.** Carly Fiorina (HP)

Richard Brandson (Virgin)

Regarding questions about the best CEO type, most respondents showed more trust of the CEOs who are actively involved with the public. In many ways, they influence their company in positive or negative ways. As the world's best and ideal CEO, Bill Gates of Microsoft and Jack Welch of GE ranked No.1, followed by Carly Fiorina of HP, and Richard Brandson of Virgin. Both Bill Gates and Jack Welch are not current CEOs but are considered to be more than just CEOs.

Figure 17 clearly shows how a CEO's activity can influence his/her own company in positive, negative or neutral ways. CEOs active in public activities are not only able to change the corporate philosophy/culture but also improve the corporate image in consumers' mind that he/she is involved in.

**Figure 17: Impact of CEO image on corporate image**



It is important for the CEO to play a strong public role. There is a consensus that a CEO’s image as being publicly active can benefit the company by shaping the corporate philosophy and culture, and subsequently improving the corporate image by supplanting it with his/her own active CEO image. In many cases, CEOs who receive a lot of public exposure are considered more transparent and familiar than those who are not. This reflects well on overall corporate image as well.

## B. WORLD’S BEST & IDEAL CEO CASE STUDY

*"The real missing element is applying biology to the diseases of the developing world. That's where the market mechanism doesn't work."*

*- Bill Gates -*

Bill Gates, 47, Chairman of Microsoft, was ranked No.2 in ‘The 25 Most Powerful

People in Business' ranking in the August 11, 2003, issue of *Fortune* magazine. Microsoft had revenues of 32.19 billion USD for the fiscal year ending June 2003, and employs more than 54,000 people in 85 countries and regions. Although no longer CEO of Microsoft, Bill Gates remains the world's richest man, with an estimated net worth of well over \$30 billion.<sup>24</sup> And as chief software architect, he wields enormous power over how our computers operate.<sup>25</sup> However, it is his business acumen that gives him the most clout. More than anyone, he changed the economics of IT by creating software and hardware standards that transformed computers into commodity products.<sup>26</sup> Along the way he achieved an effective monopoly in Microsoft's primary business of operating systems software, and he weathered the most aggressive federal antitrust challenge in decades.<sup>27</sup>

Now, he is out to change the world again: by throwing billions at eradicating infectious diseases. His chief preoccupation remains the tackling of infectious diseases and other scourges in Africa, Asia, and Latin America.<sup>28</sup> He and his wife, Melinda, have endowed a foundation with more than \$24 billion to support philanthropic initiatives in the areas of global health and learning, with the hope that as we move into the 21st century, advances in these critical areas will be available for all people.<sup>29</sup> Through the Bill & Melinda Gates Foundation, he has committed more than \$3 billion in the past five years bringing basic health care to developing nations. Gates estimates that his

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<sup>24</sup> Source: p25 'The Most Powerful People in Business' in the issue of August 11, 2003, *Fortune* magazine

<sup>25</sup> Source: p25 'The Most Powerful People in Business' in the issue of August 11, 2003, *Fortune* magazine

<sup>26</sup> Source: p25 'The Most Powerful People in Business' in the issue of August 11, 2003, *Fortune* magazine

<sup>27</sup> Source: p25 'The Most Powerful People in Business' in the issue of August 11, 2003, *Fortune* magazine

<sup>28</sup> Source: 'Biology and Bill Gates' in the issue of May 3, 2003, *Business Week Online*

[http://www.businessweek.com/@@q@oTSoUQqsTOXBMA/magazine/content/03\\_18/b3831082.htm](http://www.businessweek.com/@@q@oTSoUQqsTOXBMA/magazine/content/03_18/b3831082.htm)

<sup>29</sup> Source: 'Biology and Bill Gates' in the issue of May 3, 2003, *Business Week Online*

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personal investments in biotech companies are worth \$300 million to \$400 million.<sup>30</sup> To date, the Bill and Melinda Gates Foundation has committed more than \$2 billion to improve learning opportunities, including the Gates Library Initiative to provide computers, internet access and training to public libraries in low-income communities in the United States and Canada; more than \$477 million to community projects in the Pacific Northwest; and more than \$488 million to special projects and annual giving campaigns as shown in Figure 18.<sup>31</sup>

**Figure 18: Bill & Melinda Gates Foundation grants paid by program<sup>32</sup>**  
**(For the years ended Dec 31, 2002)**

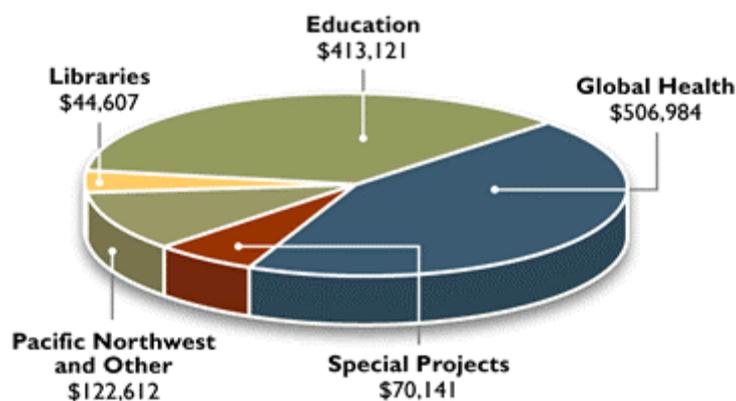


Table 3, in the next page, shows the amount spent on each program area in 2002 and 2001, respectively. In comparison with the amount spent in the two years, it is noticeable that the foundation's activity has not become heavily committed to one specific area but remains committed to a diversity of areas.

<sup>30</sup> Source: 'Biology and Bill Gates' in the issue of May 3, 2003, *Business Week Online* [http://www.businessweek.com/@@q@oTSoUQqsTOXBMA/magazine/content/03\\_18/b3831082.htm](http://www.businessweek.com/@@q@oTSoUQqsTOXBMA/magazine/content/03_18/b3831082.htm)

<sup>31</sup> Source: 'Biology and Bill Gates' in the issue of May 3, 2003, *Business Week Online* [http://www.businessweek.com/@@q@oTSoUQqsTOXBMA/magazine/content/03\\_18/b3831082.htm](http://www.businessweek.com/@@q@oTSoUQqsTOXBMA/magazine/content/03_18/b3831082.htm)

<sup>32</sup> Source of Figure. & Table.2: *Bill & Melinda Gates Foundation Annual Report 2002*

**Table 3: Bill & Melinda Gates Foundation grants paid, by program**  
**(For the years ended Dec 31, 2002 & 2001)**

(Amounts in thousands USD)

PROGRAM AREA	2002	2001
Global Health	\$506,984	\$855,567
Education	\$413,121	\$177,944
Libraries	\$44,607	\$43,176
Pacific Northwest	\$121,874	\$36,511
Special Projects	\$70,141	\$33,403
	\$1,157,465	\$1,146,957

Finally, the following quote by Bruce Alberts, president of the National Academy of Sciences, shows how much Bill Gates is contributed and involved in his project.

“The government and big pharmaceutical companies will go on investing heavily in genomics. But only philanthropy can create financial incentives to treat such common Third World afflictions as tuberculosis and meningitis. And in such areas, he’s making a huge difference.”

Bill Gates may not be the ideal CEO in all aspects. He was accused of the charge of market monopolization, expelling other competitive companies from the market. However, his active contribution in the global health and other local community services has been positively impact on his presidential image as well as the corporate image of Microsoft, from a ‘market monopolizer’ to a ‘global contributor’ for the benefit of the global community.

### C. KOREAN CEO IMAGE

In both studies, respondents did not have sufficient information on the CEOs of Korean companies to evaluate and were even not able to give exact name of CEOs of the top 5 companies. On the other hand, respondents of Study 1 gave the current image for Samsung as follows:

- ✓ No image / Not well known
- ✓ Part of hidden machinery
- ✓ Low visibility
- ✓ Autocratic
- ✓ Well known only in Korean market

Even though Samsung's chairman Mr. K.H. Lee is active as a member of the International Olympic Committee (IOC), respondents were not aware of the fact. The studies did not reveal clues as to why there is not enough information about Korean CEOs. However, most respondents stated that Korean companies are still not open enough to talk about the top management in the public because they will not provide the commitment of the top ranking management. They think that this tendency is symptomatic of Korean corporate culture.

#### IV. STRATEGY TO OVERCOME THE GAPS

The goal of most Korean companies is to become one of the world’s most desirable companies. Whether companies with the ideal images can be current competitors of the large Korean companies in the market or not, there is no doubt that the examination and analysis of the gaps offer important insight and lessons into the strengths and weaknesses of those companies.

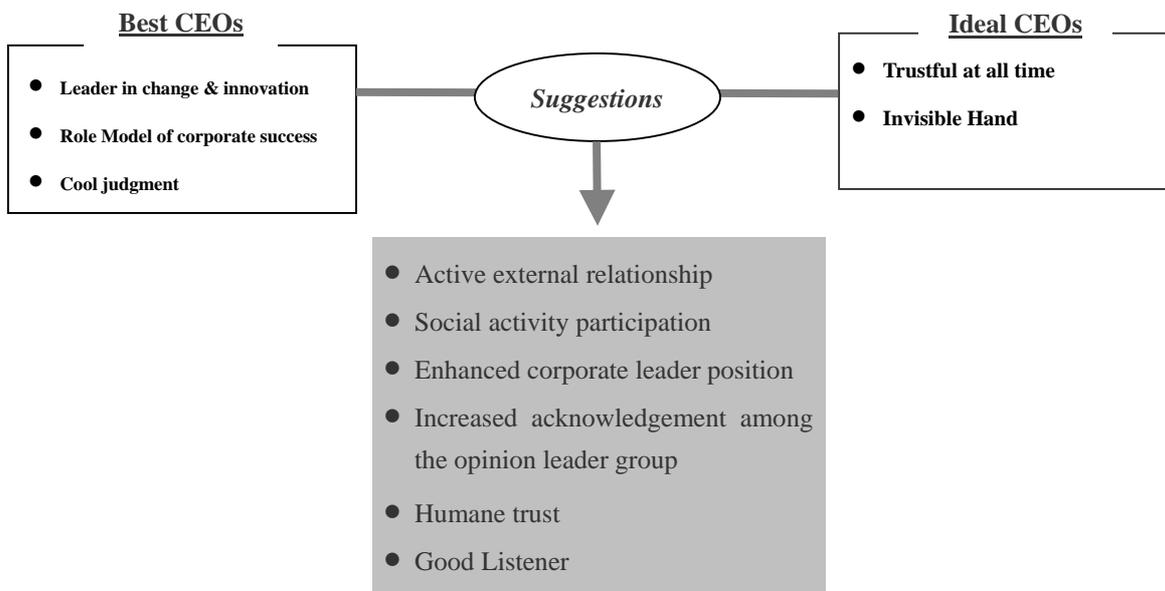
Based on the analysis so far, the following factors must be stressed in order for Korean companies to reach the “most desirable company” category: ‘clear positioning,’ strengthening of ‘brand identity’ and the ‘utilization of multiple channels of communication,’ both domestically and overseas.

**Figure 19: Direction for Korean companies striving to become a world’s most desirable company**



CEO images cannot be ignored in the process of pursuing the most desirable company image for Korean brands. We have seen that there is no clear image of the Korean CEO in the global market. Because the major weakness of Korean CEOs lies in the area of social responsibility and activity, it is important that they work to build trust by having their stories told through the media. Figure 20 offers a few suggestions to build the best and ideal CEO image for Korean companies.

**Figure 20: Suggestions for the world's best company & CEO Image**



Positive and strong brand images can be achieved through sponsorships, public relations (PR), community service and advertising. In terms of sponsorship, it is important to manage both global and local sponsorship in balance. Also, both activities should not be limited to a sports event but should cover various cultural activities. In the

case of large sports events in which there are many sponsoring companies, it is important to implement differentiated PR activities and initiate additional events that promote a company's brand and products. One of the best ways is to actively use product reviews and press releases. Also, it is required that the corporate information be provided to both global and local media.

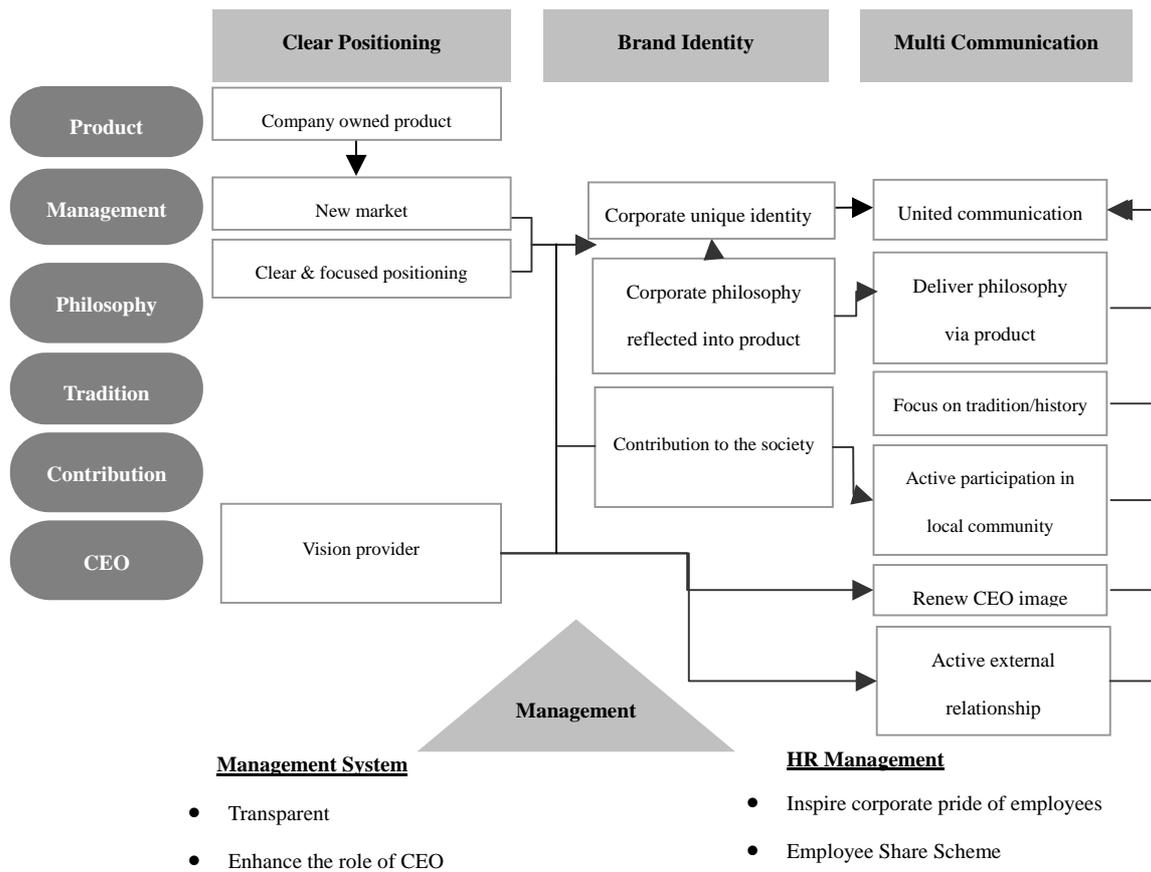
Since there is little information shared with consumers regarding the community services of Korean companies, community services should be actively introduced in the PR channels so that consumers' participation can be linked to product purchase behavior.

Advertising is the most common way for Korean companies to communicate in overseas markets. However, its effectiveness in enhancing brand image has not been proven. Thus, to maximize the effects of advertising, there is a need to adopt unique and varied methodologies, such as celebrity marketing and marketing targeted at the younger generation. The above suggestions are illustrated in Figure 21.

**Figure 21: Recommendations for effective corporate communications**

<b>Sponsorship</b>	<ul style="list-style-type: none"> <li>✓ Balanced sponsorship "Balance between global &amp; local sponsorship"</li> <li>✓ Sports activity sponsorship</li> </ul>
<b>PR</b>	<ul style="list-style-type: none"> <li>✓ More opened corporate &amp; CEO news</li> <li>✓ Provider of the most recent &amp; exact corporate information</li> </ul>
<b>Community Service</b>	<ul style="list-style-type: none"> <li>✓ Support &amp; promote social activity</li> <li>✓ Participate in community charity works</li> <li>✓ "Cause related" campaign <i>eg.. "Purchase of every drink will contribute to the protection of environments."</i></li> </ul>
<b>Advertising</b>	<ul style="list-style-type: none"> <li>✓ Effective use of TV and other media advertising</li> <li>✓ Various use of co-marketing or celebrity marketing</li> <li>✓ Local marketing in connection with the local society</li> </ul>

**Figure 22: Recommendations for Korean companies to become a world's most desirable company**



Finally, Figure 22 shows the whole process as well as suggestions that Korean companies should pursue.

## V. CONCLUSION

This paper examined prevailing perceptions of what constitutes the “most desirable company” and the “most ideal CEO,” and presented recommendations for Korean companies attempting to enhance their image in the global market. The research introduced in the paper demonstrated that there is a gap between the image of the world’s most desirable company and the current image of Korean companies. These gaps are evident in five categories: product, management, philosophy, tradition and contribution. It is noteworthy that the gaps between them are much wider in the last three areas.

Despite the current gaps, they can be overcome by undertaking a process of corporate image renewal, as well as CEO image renewal, via the utilization of effective marketing communications focused on ‘clear positioning’, ‘establishing a brand identity’ and ‘multi communication’. The areas that most Korean companies should be more focused on with regard to corporate image enhancement are ethical issues, corporate transparency and public trust.

It is also important to bear in mind that corporate image cannot be separated from CEO image. Effective brand value management includes the management of the CEO’s image. As the findings of the studies show, overseas respondents have little to no knowledge of Korean CEOs. Thus, Korean companies competing in global markets should realize that building the ideal Korean CEO image in a consistent manner should be one of the core parts of their corporate communication strategies.

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