

MORE THAN A PLANE MANUFACTURER: CREATING A DISTINCTIVE CORPORATE IDENTITY AT BOEING SPACE AND COMMUNICATIONS

BY CANDACE KIRBY

This case study features the branding challenge of Boeing Space and Communications (S&C) to generate strong brand awareness for this division, while supporting a clear and consistent corporate identity that resonates with audiences worldwide.

Introduction: Objectives and Challenges

Confronted with a new corporate architecture, market changes, a diverse product portfolio and responsibility for fueling much of The Boeing Company's growth, it is increasingly critical for Boeing Space and Communications (S&C) to create a clear and consistent corporate identity that resonates with audiences worldwide. These stakeholders include employees who must own the evolving brand, investors and media who must understand the brand, and customers who must trust the brand.

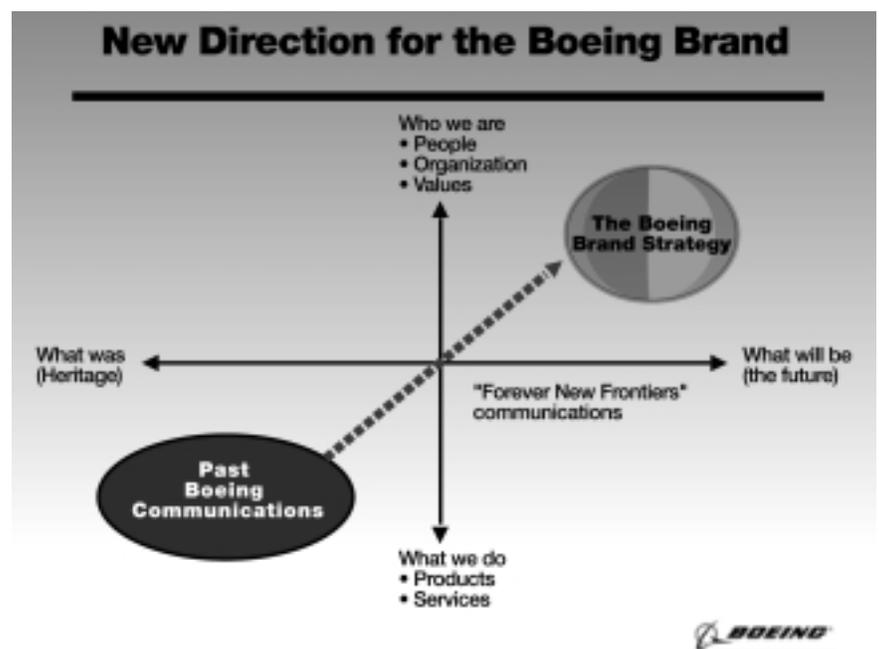
Achieving global brand identity involves a number of challenges, including distinguishing Boeing S&C to gain a sustainable competitive advantage in a world that largely identifies Boeing as the plane manufacturer. In fact, S&C the world's largest space company and a \$10 billion business that would be a Fortune 100 company on its own is responsible for transporting the first man to the moon; providing one out of three satellites currently on orbit; helping integrate the International Space Station; and pioneering digital cinema, which beams movies into theaters using existing satellites. There is also the challenge of ensuring that the brand supports the long-term vision of the company: to become a solutions provider, rather than a hardware builder.

Setting the Stage

At the start of 2000, Boeing set three fundamental goals that are being executed company-wide: run healthy core businesses, leverage core strengths into new products and services, and open new frontiers. Shortly thereafter, Boeing reinforced the seriousness of this new frontiers mandate by moving its world headquarters from Seattle to Chicago. The new

corporate architecture with a leaner headquarters located separately from the major business units (Commercial Airplanes; Space and Communications; and Military Aircraft and Missiles) is a fundamental element of the company's business strategy and a crucial step in shifting perceptions about the breadth of Boeing. In addition, the leaders of the respective business units

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were elevated to chief executive officers, which affords Boeing S&C broader responsibilities for improving performance and achieving growth objectives. While S&C has historically relied on steady, contractual business with customers such as NASA and the Department of Defense, this new autonomy is driving the active pursuit of new business opportunities, particularly in the commercial arena. Being commercial means new models of acceptable risks; new concepts of speed to market; and new ways of communicating with the customer.

The strength of the Boeing S&C brand will clearly play a critical role in meeting these challenging goals, as the company continues to forge new frontiers in space travel, national security and global communications, while creating new high-growth-potential businesses for the company overall.

Brand Communications Strategy

Naming and Brand Architecture

At the Boeing World Headquarters level, the company is working with The Brand Leadership Company to conduct an ongoing naming architecture audit on all organizations, products and services, as well as to develop a system and process to drive consistency throughout the organization. This overarching effort is, in turn, driving the brand architecture at S&C, where it was essential to first help audiences both internal and external get their arms around Boeing S&C's diverse portfolio of products and services, which range from Rocketdyne engines to Delta Rockets to global positioning satellites. To do this, the organization has organized its portfolio into four broad market areas, which are consistently reinforced in all communications. These markets include launch services; human space flight and exploration; missile defense and space control; and space-based information and communications.

Brand Planning and Process

At the root of this branding revolution at Boeing is the evolution of the company's core identity. That is, the timeless essence of the company-wide brand, which must continue to evolve to build momentum.

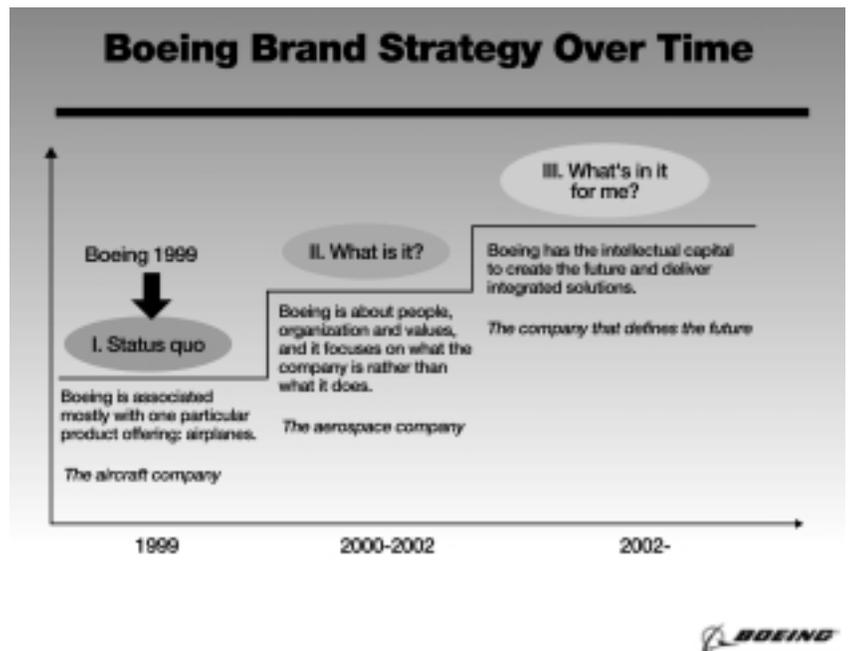
Working in concert with Brand Leadership, Boeing

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also determined that there are extended identity elements and associations that add depth and richness to the identity. There are four clusters of brand associations:

1. Brand as product. Product associations help to demonstrate functional benefits and define category leadership.
2. Brand as organization. Organizational associations capture the company's organizational culture and values.
3. Brand as personality. Personality associations help differentiate the brand and guide communications.
4. Brand as symbol. Visual or symbolic representations help reinforce key attributes of the brand, cue emotional benefits of the brand and improve recall of the brand. The brand symbols can fall into three categories:
 - a. The brand logo: logo or symbol that identifies the brand.
 - b. Benefit-supporting imagery: key visuals that illustrate the principal benefits of the brand.
 - c. Brand-supporting imagery: key visuals that represent the brand identity.

The brand insights that were revealed from this process also drive the branding efforts at the group level; and with the development of innovative products and services such as digital

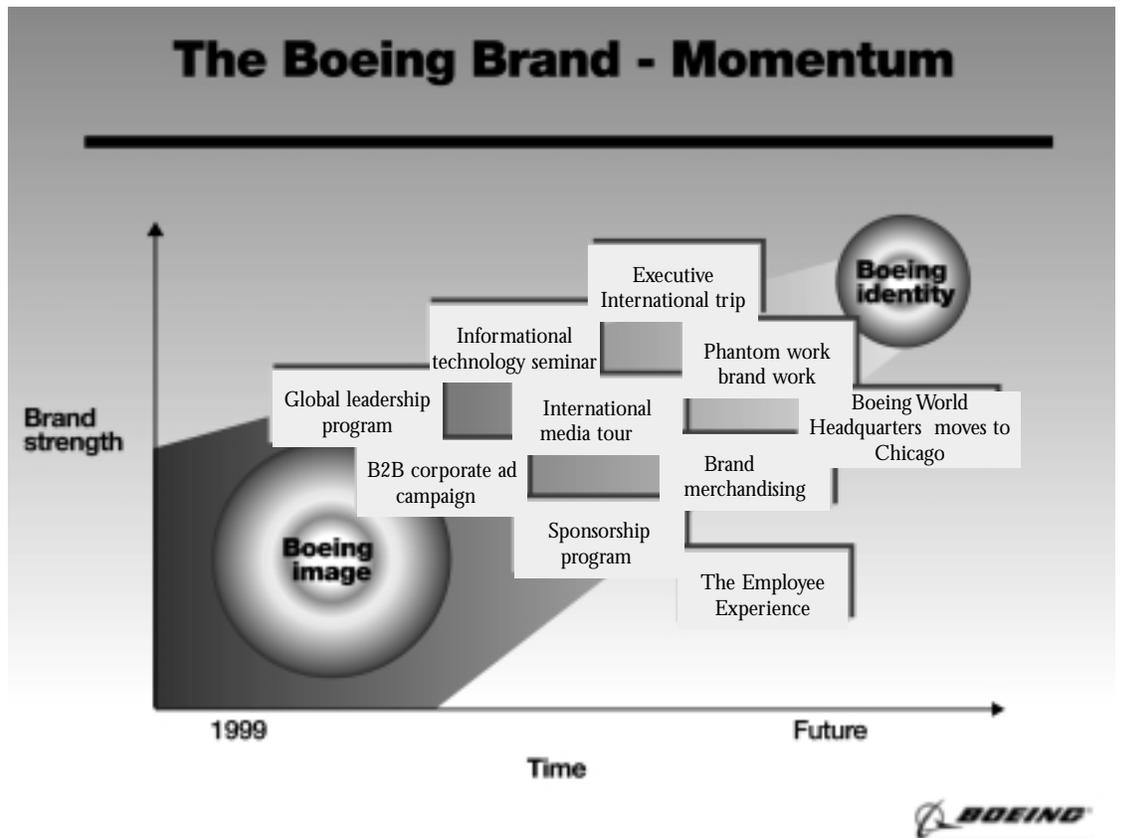


cinema, Boeing S&C has begun conditioning the market to strengthen the unit's corporate identity.

Education about the Business and Brand

Once Boeing S&C had defined more manageable market areas and better understood how the brand was perceived, the organization had to educate key audiences about its business and this education is serving as a foundation for the group's branding efforts. Internally, S&C had to help employees understand not only the business, but also the scope of the marketplace in which Boeing now competes. The playing field has changed for the company, and that means thinking beyond historical competitors such as Lockheed Martin and to consider Intel, GE, Cisco and IBM.

From an external perspective, it has become particularly important to connect with Wall Street, as the new corporate architecture positions Boeing S&C President and CEO Jim Albaugh to work more closely with the investment community when it comes to discussing the space and communications business. While Boeing World Headquarters seeds the market with the company's national Forever New Frontiers advertising campaign which appears in targeted business publications and cable channels such as CNBC and CNN Boeing S&C builds on this awareness by communicating with the financial community via more intimate forums such as one-on-one briefings between Albaugh and business reporters, as well as via the Annual Investor Conference. Boeing S&C is capitalizing on these opportunities to educate investors about the business unit and communicate focused messages about S&C, which are consistent with the company overall. These messages are supported with proof and reiterated throughout all stakeholder touchpoints, such as the annual report, media



relations, sponsorships, executive and employee communications, and international technology forums:

- I. S&C has a healthy, stable core business base of government and commercial customers.
 - n As NASA's largest contractor, S&C is building the International Space Station and keeping the Shuttle fleet safe.
 - n S&C is developing the Future Imagery Architecture for the National Reconnaissance Office and is lead system integrator for the National Missile Defense Program.
 - n S&C is confident of the continued demand for the Delta family and Sea Launch products/services.
- II. S&C is growing business in information and communications services for commercial and government users.
 - n The acquisition of Hughes Space & Communications provides for long-term strategic growth in this area.
 - n S&C sees enormous potential in an addressable market that tops \$100 billion per year.
- III. S&C is opening new business frontiers.
 - n The technologies and services S&C is developing will stimulate growth across the company, including Boeing

Military Aircraft & Missiles and Boeing Commercial Airplanes.

- n The company is proactively identifying opportunities to serve unmet needs in the marketplace by leveraging current assets into new services, such as Boeing digital cinema which uses existing Boeing satellites to transmit and project feature films.

This education establishes the groundwork for the brand-building process and entrenches Boeing S&C as the space leader.

Brand Communication

The Boeing S&C brand is communicated through the use of integrated marketing communications (IMC) channels. Because S&C operates in a business-to-business environment, its communications efforts are very targeted. For example, S&C's IMC toolbox includes:

Brand Management and Advertising

- n Incorporate S&C products into Headquarters campaign underscoring that tomorrow will be better because of something Boeing makes.
- n Launch global campaign highlighting capabilities and featured in trades/influentials/shows.
- n Continue strengthening relationship with local Southern California community via image campaign with major state influentials and trades.
- n Identify ongoing opportunities to promote the Boeing S&C experience through exhibits, tours, Boeing Web site and other media.

Media Relations

- n Enhance visibility of and distinguish Boeing S&C as the global aerospace leader among key external audiences.
- n Continue to produce innovative communications tools to help disseminate messages, such as a quarterly journal targeted toward current and prospective customers.
- n Proactively engage executives in external events, including participation in global non-aerospace financial conferences/events/media (Financial Times, Business Week, CEO conference).
- n Secure features on S&C growth strategy in major national/international media, such as Business Week and The Industry Standard.

Internal Communications

- n Drive understanding of and support for S&C business vision and objectives, as well as facilitate dialogue with the understanding that employees are the greatest advocate of the brand.
- n Utilize communications vehicles such as frequent electronic messages from leadership, Boeing News Now and the Intranet.

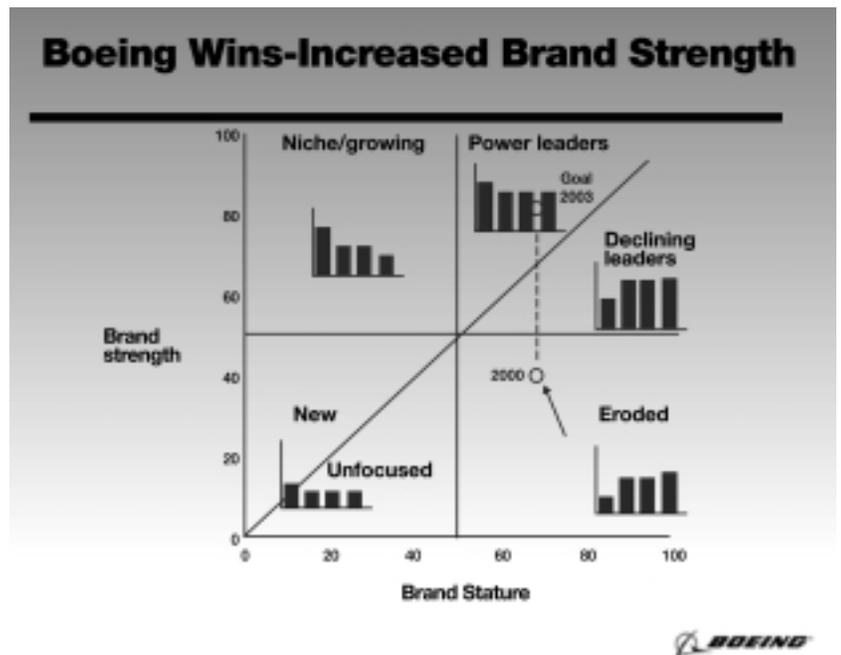
International Communications

- n Augment perception of Boeing S&C in key international markets from an aerospace company to a high technology and communications services company that is opening new frontiers.
- n Initiate and lead international technology summits, proactively build relationships with international media, place ads in targeted markets to keep Boeing S&C top-of-mind, maintain presence at international air shows, invite customers to Boeing S&C and enjoy the Boeing experience.

Measuring the Impact of the Brand

Measurement is an essential part of the brand development process, from employee research to media audits to ongoing assessment.

Boeing is in the process of measuring the ongoing effectiveness and impact of its brand on key audiences, at both the corporate and unit levels. Because Boeing S&C just recently launched its corporate identity efforts, it is still too



early to assess the initial results. However, a number of measurement tools are being used, including:

- n Annual company-wide employee survey. Benchmarking against last year's survey, the results reveal that a significant number of S&C employees feel more connected to the organization and where it is headed, as well as believe that the vision and long term strategy of the company is being effectively communicated to them.
- n Media audit. A survey of trade, business and aerospace reporters nationwide shows that Boeing is a highly credible source of information. Additional studies will explore external audiences perceptions and understanding of the S&C brand.
- n Stock price modeling. A potential tool; isolate the communications impact on stock price.
- n CARMA. An online service that demonstrates how the media impacts corporate reputation and measures the favorability of coverage versus competitors.
- n Corporate omnibus study. Study of U.S. business leaders.
- n Recognition. Inclusion on Fortune's America's Most Admired Companies, as well as Fortune's World's Most Admired Companies lists.



any computer screen with a click of the mouse. Without trusted brand names as touchstones, shopping for almost anything would be overwhelming. Meanwhile, in a global economy, corporations must reach customers in markets far from their home base. A strong brand acts as an ambassador when companies enter new markets or offer new products. It also

shapes corporate strategy, helping to define which initiatives fit within the brand concept and which do not.

As previously mentioned, Boeing World Headquarters emphasizes a positioning captured in the tag line of its new advertising campaign Forever New Frontiers which is derived from Boeing CEO Phil Condit's fundamental vision for Boeing: Run healthy core businesses, leverage our core strengths into new products and services, and open new frontiers. Meanwhile, Boeing S&C not only incorporates that overarching message into more product-specific communications, but has also established the

groundwork in strengthening its own corporate identity as the world's largest space company. Boeing it's more than just that plane manufacturer your parents once knew.

Conclusion

Today, branding matters in a big way at Boeing. Everything from the Boeing logo to its plan to relocate its corporate headquarters from Seattle to Chicago has been devised with the Boeing brand in mind.

As Business Week noted, a belief in the power of brands and brand management has spread far beyond the traditional consumer-goods marketers who invented the discipline. For companies in almost every industry, brands are important in a way they never were before. Why? For one thing, customers for everything from soda pop to software now have a staggering number of choices. And the Internet can bring the full array to

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