Corporate identity in interior design

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Abstract

In today’s capitalist world, a well-established corporate identity may be accepted as a significant contributor to corporate success. Corporations are engaging in the process of redesigning their corporate identities to establish a sustainable relationship with the customers. Corporations may use different elements to reflect their corporate identities in a desired manner to their customers and interior design is one of those elements commonly used. Interior design of corporate spaces is the visual face of corporations and also a visual communication ground with the customer. In this framework, aim of this paper is to explore the interior design applications on a specific private bank branch example in Turkey as a case study to emphasize the importance of interior design in creating corporate identity. It presents an interdisciplinary study both in graphic and interior design disciplines. The conclusion of this paper contributes to the investigations regarding the impact of interior design for desired customer perception.

Keywords: interior design, corporate identity, customer perception, banks

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1. Introduction

As corporate identity gains importance in competitive business world, elements of the notion are also gaining importance. The aim of the study is to discuss the interior design that may be used in order to reflect corporate identity to the customers. In other words, interior design should be embedded in the creation and reflection of corporate identity to the customers on behalf of the company. It may be hypothesized that interior design makes a positive contribution to customer perception of corporate identity if it is integrated to the process. This paper sets out to explore how companies reflect the brand identity to their customers through interior design elements. A case study will be presented in order to show a successful implementation using interior design to reflect corporate identity.

As a first step, to make a definition of the notion is significant to understand the relation with interiors. Corporate identity has increasingly become an important factor in constituting an effective management and marketing strategy. Awareness of the companies regarding the corporate identity has increased in direct proportion with the growth of the competitive market and the escalating novelty demands. At the very beginning, corporate identity had the same meaning with organizational nomenclature, logos, company designs and visual identification. Most of the corporate identity trainees started with the graphic design and here by, the roots of corporate identity were shaped by graphic design. In the field of corporate identity, the first practitioners who gave importance to the field in terms of executive means were Pilditch (1970) from United Kingdom, Selame and Selame (1975), Margulies (1977), German (Birkright and Stadler, 1980), Carter (1982) and Chajet (1992). And such practitioners as Olins (1978, 1990), Bernstein (1986), Jackson (1987), Ind (1990) and, Dutch (Blauw, 1989) and French (Hebert 1987) practitioners followed the lead of the first practitioners. With Olins (1978), and Birkright and Stadler (1980) later on, understanding of corporate identity has extended in time and today, this concept is used to define a company’s identity by means of attitude, communication and image. In the last few decades, the academics such as Abratt (1989), Albert and Whetten (1985), Balmer (1994, 1995a), Larcon and Rietter (1979), Ramanantsoa (1989), van Rekom (1992), van Riel (1995) and Wiedmann (1988) have manifested important amount of studies and information in this area.

Corporate identity basically focused on logos and visual identification. Olins (1978) separated visual identity under three groups such as monolithic, endorsed and branded. Visual identity was accepted as essential for presenting a corporation's identity. At the initial phase corporate identity was identified with visual elements only. In the second stage scholars like Grunig argued that visual elements are not enough for reflecting corporate identity. Grunig (1993) continues that communication is an essential element in reflecting the corporate identity. After extensive research and evaluation, Balmer and Soenen (1998) suggested; the practitioners and academics should realize the necessity of studying the concept. Balmer (1998) analyzes the background of the corporate identity field and puts forward three distinctive corporate identity features. Firstly, the corporate identity is basically dependent on the organization’s principle elements; history, strategy, mission and vision, job content, products and services and official and unofficial communication. Secondly, corporate identity is a study field, which concerns more than one academic discipline. Thirdly, corporate identity is strictly related to the corporate personality of the company. Abratt (1989), Balmer (1996), Olin (1990) and Van Riel (1997) claimed that corporate identity focuses on culture, strategy, structure, history and business activity. Corporate identity is the mix of these elements. In this phase scholars Van Riel (1997) and Balmer (1996) also claimed that organizational identity is also an essential element of corporate identity. According to Van Heerden and Puth (1995), a corporation’s personality defines the corporate identity. Every corporation has its own personality and that personality is presented by visual cues such as a corporate logo, and through behavioral cues such as level of customer satisfaction provided.

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The scope of this paper will be limited to the visual cues of the corporation, as the main point of concern is the interior designs of the bank branches and their effect on customer perception.

2. The Relationship Between Corporate Identity and Interior Design

Interior design is an important component of corporate identity because interior design is the visual face of the corporation. Interiors directly affect customer perception (Oylum, 2010). Especially in the service sector, interior design aids corporations to differentiate from its rivals. In the market, it is difficult to attract new customers so corporations attract customers emotionally as well. Interior design serves to creating an emotional bond with the customers. “Every organization is unique, and the identity must spring from the organization’s own roots, its personality, its strengths and weaknesses. This is as true of the modern global corporation as it has been of any other institution in history, from the Christian church to the nation state” (Olins, 1990). It can be said that the identity of a corporation is the most significant tool to reflect itself. It also enables the company/corporation to get ahead of its rivals. The concept of corporate identity includes a wide range of elements spanning from, the name of a firm, to its logo, its letterhead paper, design of vehicles, general view of the company building, interior design, employees' outfit and behavior, the firm's management and operation, quality of managers, production, service, service concept, advertising and public relations work of all kinds used by the image, style, and topics (Ak, 1998). One of the most prominent of these concepts is the atmosphere of the interior space. It moves the corporate identity into the third dimension and makes the corporate identity more memorable. Among the most known examples are McDonald's and Pizza Hut restaurants, which style their interior and exterior design of the restaurants according to their corporate identities (Gagliardi, 1991).

In the context of corporate identity, there is a physical setting concept, comprising both the exterior and interior design of corporate buildings. On the other hand, this concept may also be referred to as “corporate architecture”. The “interior design” of corporate architecture refers to the space layout, choice of colors, furniture, etc. (Gagliardi, 1991). The interior design of the corporation is significantly important in creating visual corporate identity. According to Dowling (1994), the physical appearance is directly related with the visual corporate identity. This visual corporate identity is affected by the culture of the corporation, corporate behavior, strategy, products, communications, and design elements. The visual corporate identity constitutes an important element of communication design of the corporation. In the formation of the visual corporate identity, interior design of the corporation has a very significant influence (Goodman, 1998). In other words, corporate identity and the interior design of a corporation should be compatible with each other. Interior design also helps the corporate identity to be recognized more than the others.

Corporate identity includes the interior design of a corporation extending even to its logo, all printed documents, and clothing of the staff and even the design of the image (Van den Bosch and
Elving, 2006). Interior design can reflect corporate identity. As Chang and Lin argue (2010) that the corporate identity is the sum of tangible and intangible assets. They argue as one of the important components of the corporate identity is the interior design of the corporation (Perry & Wisnom, 2003). In other words, for the proper understanding of the corporate identity, interior design of the corporate spaces should be in harmony with the corporate identity.

2.1. Customer Perception

The subject of customer perception attracted the attention of marketing scholars as customer perception is important in developing a long-term relationship between the customer and the brand (Ivanauskiene and Auruskeviciene, 2012). There are several perspectives, which aim to define customer perception. According to Khalifa (2004) customer perception comprises benefit/cost ratio models, value components models and means-ends models. There are three customer needs, which are functional needs, symbolic needs and experiential needs (Ivanauskiene and Auruskeviciene, 2012). According to Solomon (1996) consumers select, purchase, use products, services or experience in accordance with their needs. However, before they prefer a certain product or service, consumer behavior is shaped with different necessities such as price, quality, comfort, function, past experience (Dodds, 1999). It is possible to define perception as “a process composed of a series of psychological transformations by which an individual acquires, codes, stores, recalls and decodes information about the relative locations and attributions of phenomena in his everyday spatial environment” (Altman and Chemers, 1980). People filter their perception depending on their social and cultural qualities. Therefore, every customer may have a different perception experience according to his/her background. It is possible to claim that the design of the interior space is an important element for affecting customer perception. “The conscious design of space to create certain effects in buyers. More specifically, atmospherics is the effort to design buying environments to produce specific emotional effects in the buyer that enhance his purchase probability” (Kotler in Greenland and McGoldrick, 2000). Especially in the service sector, interior design is crucial because environment is accepted as one of the few key tangible elements (Greenland and McGoldrick, 2000). For instance, color may affect and emotional states of the customers whereas lighting may affect the customer satisfaction. Therefore every element may have a different effect on customer perception.

2.2. Case Study – Corporate Identity of Garanti Bank

Garanti Bank was established in 1946 in Ankara as Ottoman Bank. In the year 1983, Garanti joined to Doğuş Group. In the year 2011, Bank gave service to 11 million customers via 907 domestic branches and 7 foreign branches in Cyprus, Luxembourg and Malta; 4 international representative offices in London, Moscow, Dusseldorf and Shangai. (Garanti, Annual Report, 2011, p.9) Garanti changed its logo in the year 2000 when the bank went through a renewal process in order to reflect its identity more accurately. According to General Manager of Garanti Bank – Ergun Ozen, the new logo is dynamic and sincere (Radikal, 2000). Therefore the administration aims to create a dynamic image with the new logo as shown in Figure 2.

Figure 2. Garanti Bank’s Logo
Garanti Bank’s corporate color is green in order to be perceived close to the nature and to be perceived as trustworthy by the customers. Corporate color of Garanti is suitable for the corporation’s philosophy as it asserts to be a trustworthy business partner for its customers. Also, green as a corporate color is different from its competitor’s colors. The brand was designed as “living green” and the brand identity was constructed in line with this decision by the design agency. The living green as shown in Figure 3 is also used in the interior design of the branches; the walls, ceiling and furniture are white however the separating units and the chairs are green. The below presented figure shows how the agency applied the concept of living green to the brand by using floating green color on the exterior surfaces of the branches. Bank has been associated with color “green”.

![Figure 3. Interior (a) and Exterior Design (b) of a Garanti Bank Branch (www.i-amistanbul.com.tr, 2015)](image)

![Figure 4. Garanti Bank Living Green Image as It Appears on the Facade (Image is reduced without Scale), (www.i-amistanbul.com.tr, 2015)](image)

For this study, Garanti Bankası Bilkent Branch in Ankara is chosen as the sample branch. MR Model is used in order to design the questionnaire and the questionnaire is applied to the customers of Garanti Bankası Bilkent Branch.

3. MR Model

The relationship between corporate identity and customer perception was analyzed through a survey. A questionnaire is prepared based on the Mehrabian – Russel Model (MR) which explores the effect of physical stimuli on the consumer behavior. Based on this model a survey that composes three different parts was created. The survey was held with 100 respondents. According to Billings (1990) environmental psychology should be taken into account as a factor while exploring customer behavior environment. Mehrabian Russel Model (MR Model) was developed in order to predict the impact of environment on customer. MR model was developed by Albert Mehrabian and James A. Russell in
1974. MR Model claims that individual may react to the environment through three dimensions which are pleasure, arousal and dominance. This model has been used commercially as well as task interiors and is one of the first empirical works which emphasized on the emotional impact of atmosphere (interior design). MR model claims that the interior space and the environment cause a behavioral response (Figure 5). So it is possible to identify the relationship between the environment and the behavior of the customer.

Figure 5. Original MR Model (as depicted Billings, 1990)

3.1. Study and Pilot Study

In the first part of the survey, the aim is to identify the elements of interior design, which attract the attention of the customer. Based on the Greenland and McGoldrick’s method a scale was prepared in the first part in order to rate the design of the branch. The aim of this scale is to measure whether or not the branch creates the same understanding as it was intended by the company and designer. In the second part of the survey, the aim is to measure the emotional impact of the interior design. Agree – disagree scales are constructed based on Mehrabian and Russell (1974), Russell and Pratt (1980) and Greenland and McGoldrick (2000). In the third part, the aim is to understand the behavior of the customers based on the MR model. It is aimed to understand the customer perception regarding Garanti Bank and whether or not the customer may consider coming to the branch again because of the environmental impact of the bank. A pilot study was conducted on 21 December 2012 at Bilkent Plaza, Garanti Bank Branch in a 3 hour session. 19 customers who are using Garanti Bank Bilkent branch participated to the study. In this pilot study participants were asked first to choose the appropriate adjective which they identified with the interior of the Garanti Bank Bilkent branch. In the second part, participants were asked to select among the adjectives that describes their feelings best. The third part emphasized on the behavioral impact of the interior design on customers. After the pilot study, the questionnaire was finalized and the questionnaire was conducted at Bilkent Plaza Garanti Bank branch on 3-4 January 2013. 100 respondents participated to the survey.

3.2. Demographics and Frequency

The survey was conducted with 100 participants who were selected randomly. 62 % of the participants are men; 38 % are women. Average age of the participants is calculated as 32. In measuring the frequency of visiting the Garanti Bank is in a month. The results show that 87% of the participants visit the same Garanti Bank branch 1-5 times in a month, thus, the participants may be accepted as regular Garanti Bank customers. Furthermore, it is possible to see how much time participants’ spent in the branch in the below presented figure. Most of the participants spent 6 to 15 minutes in the branch so it is possible to claim that they have the time to observe the branch qualities.

3.3. Environmental Impact of Bank Branch Design on Participants

In order to understand how the branch is perceived by the customers, the participants were provided with different adjectives among which they may choose them in order to describe the environment experienced. According to the answers, 76 % of the participants thought that the bank branch has adequate light. Furthermore, 75 % of the participants claimed that they find Garanti Bank
“modern” and 73% of the participants believe the environment they are experiencing may be accepted as “young”. After describing the environment they experience, the participants were asked about their feelings regarding the environment. They were directed with 7 pairs of adjectives. According to answers, 87% of the participants believe that Garanti Bank branch is pleasant and 86% of the participants believe that the bank branch associated with high technology.

3.4. Evaluation of the Interior Design

In the third part of the survey, participants were asked whether or not they like the interior design of the branch. 46% of the participants claimed that they are indifferent regarding the bank design. In other words, the interior design of the branch did not create any positive/negative impact on the participants. Further, participants were asked whether or not the interior design of the branch is suitable to the corporate identity of the Garanti Bank. 48% of the participants believe that interior design of the branch is suitable with the Garanti’s corporate identity. However 4% of the participants totally disagree with the claim that branch reflects the corporate identity. It is possible to claim that there is a positive weak relationship between age groups and perception regarding the suitability of interior design to the corporate identity. Although every age group agrees that the bank branch is modern, the youngest age group has the highest ratio among others. This may be interpreted as young participants appreciate the design of the branch more, compared to other age groups. It is also interpreted as the design of the bank branch is successful because it is appreciated by the most dynamic age group. However, there was not any relationship regarding the frequency of visiting the branch or gender groups. Therefore, it is not possible to observe a relationship between frequency to visit the branch and interior design perception. Only age groups as an independent variable have a meaningful relationship in terms of customer perception of corporate identity. Age group of 18-24 realizes the suitability of interior design to corporate identity. There is a positive relationship with the age of the customer and appreciation of the interior design. Therefore, the study shows that younger people appreciate the interior design of the branch more compared to the elderly customers. The design agency achieved in creating a design that attracts younger customers’ attention more as design attracts the attention of the young commonly. They aimed to communicate with younger customers in the first place.

4. Conclusion

This paper hypothesized that interior design can make a positive contribution to customer’s perception of corporate identity and a case study on Garanti Bank is presented as a case study. The visual elements used in the re-design process aimed to reflect Garanti Bank as a dynamic and modern bank. In the study carried out, majority of participants see the Garanti Bank branch as modern, reflecting high technology. Results are in line with the intentions of the design firm who aimed to create a modern and dynamic image mainly by focusing on the corporate color. It is essential to understand the intentions of the corporations before starting to design process.

A questionnaire was prepared in order to understand whether or not the corporate identity created in the interior design of the branches is perceived by the customers or not. According to the survey, most of the participants believe that bank branch has adequate light, modern and young. In the survey, color and lighting emerged as the most important elements of the interior design in a bank branch because lighting enabled color to be perceived by the customers in order to receive the intended message of the company. Furthermore, most of the participants like the color of the branch. It is possible to claim that the results are in line with the intentions of the design agency, as they aimed to create a modern and dynamic image by focusing on the corporate color. The agency aimed to give up static green and started to use dynamic green. According to the founding partner of the agency, the aim is to emphasize on the role of Garanti Bank in Turkish banking industry. Static green could not emphasize this fact sufficiently. Therefore the corporate color is transformed from static
green to a dynamic and brighter green named as “Living Green”. The design agency intentionally relied on the color of green as it reflects a dynamic nature. According to the survey findings, the color effect was appreciated by the customers. The color is used in every detail in the branch. In order to increase the impact of green color, white color is used as font. As such, living green emerges more. The customers appreciated the light in the branch and color at the same time. In creating corporate interiors, lighting and color emerge as important elements for linking customer perception and corporate identity. Participants find the branch as having adequate light which agency aimed at creating a bank branch, which will be perceived as a store instead of a bank branch. To achieve this, designers used spotlights, which give a brighter look. As the structure of the building does not allow, the bank branch could not benefit from the daylight. Spotlights are also used in order to create a bright environment, as daylight is weak.

The results show that the customers perceive the branch as modern and young. Also, there is a positive relationship with the age of the customer and appreciation of the interior design. It is obvious that customer perception and corporate identity are suitable with each other as the results show participants perceive the intended image by the designers because of the color preferences of the branch, lighting and furniture. Also, the younger customers tend to appreciate the interior design more compared to other customers. The highest relationship was found with the customers who found the interior design pleasant. The customers, who believe that the interior design is pleasant, also believe that the interior design of the bank branch is suitable with the corporate identity. There is also a weaker relationship with the appreciation of the corporate interior and "expensive interior design". According to the questionnaire, 76% of the participants answered that there is adequate light in the branch. However, it is found that the adequacy of light has little impact on the formation of corporate image. The same is true for the appreciation of color use. The fact that the customers like the colors used in the interior does not necessarily lead to the formation of a strong corporate image.

Aim of the design agency was to reflect a dynamic image to the customers. In this respect they used green color heavily because they believed that other than reflecting the color of the bank's logo, this color brings dynamism to the otherwise monochromatic interior. Lastly, as Garanti Bank is a financial institution, customers need to trust to Garanti Bank for depositing their money. In order to put forth a trustworthy corporate identity, design agency tried to create a pleasant atmosphere, relaxing environment and a cooperative image.

As in Garanti Bank's case, interior designers may choose a color in order to reflect the identity of the corporation. As discussed different colors may have different impact on customers. Therefore interior designers should focus on the intentions of the company while they are deciding to color they will use. However as the study shows color is not perceived as superimposed by the corporate image by the customers. Designers should evaluate the consequences in order to assess whether or not the design process is successful. In order to manage this pilot branch may be designed for measuring the impact of the design. If there is a gap between the intention and perception, the designers should fill the gaps by supporting the design process with visuals or by developing the design by changing the materials used in the design process.

References


