

DR. GITA PIRAMAL'S VIEWS ON DEVELOPING CORPORATE REPUTATION

Media's disregard of business is healthy...

There is a clear divide between the mindset of corporate India and the mindset of a reporter's India. Unless you have experienced the world of each it is very difficult to understand the other and certainly journalists do not understand corporate India. They have a healthy disregard for corporations and I believe that journalists should have this disregard otherwise they would do injustice to their job.

THE VIP CASE STUDY

Starting the reputation management exercise with an internal survey ...

I was a reporter for eighteen years. Two years ago I started the corporate communications department at VIP Luggage. The situational analysis at that time revealed that operationally the company was not doing well. Its share price was rock bottom, morale was low and people were leaving the company.

The story for any organisation has to begin internally before you can adjust the public image of the company. A quick survey with top management and also at various levels of the organisation was undertaken to decide what needed to be done. The idea was to assess where and why the employees felt the image of the company had declined.

The survey revealed that the VIP man is a recognised person because of the strength of the brand. Maybe not so much in Delhi or Mumbai but certainly in smaller towns. However the employees were feeling that this image had gone down and that VIP was no longer as important as it used to be. Sales personnel visiting dealers and vendors realised that the VIP brand image did not carry the clout, which it should have or used to!

There was discomfort as the leadership of the 27-year old company, which pioneered the field of luggage manufacturing, was under question in the market. There was also a lack of information within the company and hence an urgent requirement to improve internal communication.

Need to bolster company's identity...

The employees felt that VIP the brand, is very well known but they did not feel the same about the company. The issue was that the VIP brand does not employ the staff, so the company that employs them should also be well known. Why was the company not seen as a progressive company, even though so many excellent practices were followed? VIP has one of the largest 'khazanas' of intellectual property rights and trademarks. It spends 1.8 per cent of revenue on R&D and

has international patents in areas where even Samsonite does not have are facts that were not known. The clear message coming out of the study was "I am a VIP person but I need more pride in my organisation."

Favourable coverage satisfies several constituents...

So what should corporate communications do? The avenues to be considered are media, internal audiences, customer, investor and if there is a crisis then how you deal with it. Getting the company in the news would address the issues of being a VIP person, getting more respect from the dealers and a feeling of pride in the organisation. Image enhancers could clearly arise from highlighting the firsts in the company, for example, the R& D record and the reach and sweep of the company. Our game plan in terms of media meant press releases, press conferences, some events, and interviews.

VIP is India's largest luggage manufacturer, available at nearly 12,000 outlets all over India and present in 1,706 towns. This number is on the increase with our large-scale geographic expansion programme. If the VIP man has to earn respect from the local dealers, then VIP has to be in the cities where the dealers are. Instead of traditionally concentrating on the English-speaking media, we appointed PR agencies based on four zones.

Reaching out to regional media...

A press release sent out by Mumbai head office is translated into local languages at their end. Depending on the product, a specific media list is prepared. The agencies in turn have appointed stringers in various states who then send it to the editors and journalists. The whole sequence takes about three weeks. This is a monthly exercise. We send out releases to 64 cities, 800 publications and in 13 languages.

Translations are critical to our success. Translations can cost approximately Rs 50/-, which for a small publication is a fairly large sum. So if you provide news to regional publications in a manner where they can immediately use it, the success rate is bound to be high. The dealer and sales staff are both proud to see a picture of the new product and a write-up in the local newspaper - leading to a win-win situation.

The company is present in roughly 26 locations and each location gets a weekly 100 /120 page press docket of clippings that includes news about VIP, competitor information, advertising done by VIP and advertising done by the competitor.

Harnessing the power of e-mail...

Another powerful means of communication is the e-mail. Initially, we just had the head office linked up with e-mail, but now we have more than 1000 people connected by e-mail internally. Each evening by 5.15 p.m., I send out a little picture with some positive news. So when people log onto their server

first thing in the morning, they get to see this piece of news. Where there is a paucity of servers we take a printout and paste it on the bulletin board. This steady stream of news provides a tremendous *feel good factor*. It also reduces the risk of inaccurate information being passed on. Quarterly results are put up internally some few hours prior to the advertisement/news being sent out to publications.

Contests in the in-house magazine....

Another very important tool is the in-house magazine, *Zest*. The first thing I did on taking over this magazine was to offer a prize of Rs. 10,000/- to make it participative. Every issue includes a contest. We get about twenty entries. What is important, is that these 20 people participating in the contest become obsessed with VIP, its operations and how to improve the company. Their enthusiasm really boosts morale. All locations and branches have to send in articles and contributions. We get about 200 articles. No babies, no wedding pictures, the focus is on self improvement. If an employee has found a better way of communicating, or assisted a dealer, any achievement carries weight. The magazine is very picture heavy. Product information and knowledge is another area of focus.

Bi-monthly speaker programme...

We also started a speaker programme whereby once every two months, a guest speaker comes and speaks to VIP employees. This is very popular. It really pampers their ego that VIP has been able to get these reputed speakers for the programme. Every time we finish a speaker programme the audience have to fill out a feedback/evaluation form detailing the benefits derived from the programme and how they can use the learnings in the company.

Web strategy...

For the customer we started a website, introduced service@vipbags.com and also a toll-free number. The website was another mechanism to address the customer. VIP was familiar to the 35+ age group, but did not really connect to the youngster. For the brand to have saliency with youngsters, we felt that the Net would be the best medium to reach out to them. The website offers information about backpacking, trekking - the synergy between luggage and travel is so strong that it comes together effectively. But what did it do for us? Page views before the site was changed were about 2000. Currently they are a lakh a month. We now get about 50 e-mails a day and have about 1000 revisits. We also get very interesting business enquiries on the website, and direct sales also have resulted over the Net.

Web appeal for the youth ...

service@vipbags.com for the VIP customer...

The other area that we improved upon was customer services. Normally, because of the dealer network, the company is isolated from its end customers. We set up a toll free number to be able to approach our customers at 22 service centres and there was an e-mail service called service@vipbags.com. All

information goes to our Nasik plant and details are taken of each complaint.

We sell approximately 5 million suitcases in a year. Our warranty costs are 0.07 per cent and on a product where we have a seven-year guarantee it is a really good quality record.

In terms of customer complaints, on 4 million pieces sold we have roughly 1,500 complaints in a year. I see all the complaints and the chairman sees some of them. A letter is sent out to the customer and the piece is replaced, whatever the cost. This creates tremendous goodwill. The toll-free number provides information, suggestions and dealer locations.

We do not have a strong investor relations programme at present, however, we have an information brochure and some one-to-one meetings. We also have ten analysts reviewing our company and asking for information regularly.

Key learnings... The key learnings have been the importance of mapping perceptions and views before setting out to undertake a corporate communications programme and reaching out to people both internally and externally. Unless your internal team is satisfied, you are not going to get much of a public relations image. Control on process and quality and timeliness of all communications to customers have to be monitored for a successful public relations programme.

COMMENTS BY PARTICIPANTS

Shell's effort in protecting corporate reputation In 1996, Shell decided that it needed to change its image. For years Shell was perceived as arrogant, uncommunicative and a company that did not share information. This got the company into a lot of trouble. Two events - Brent Spa and issues in Nigeria triggered a desire among management to change our communication strategy. The first step was to communicate a lot more internally with the aim of getting everyone within Shell to think pro-Shell as there were many different points of view in a company located in 135 countries and with 100,000 employees worldwide. An external agency conducted a research based on which we decided on a series of communication strategies. This has resulted in a positive transformation both internally and externally about the perception of Shell and what it does subsequently. The success of communicating has been now engraved in our company policy.

Time spent with interfacing with the media, in building corporate At Pfizer we have been media shy, possibly based on history. Something went wrong not once but on a couple of occasions. Two very senior persons were misquoted completely out of context. The result was disastrous. The

*reputation of
Pfizer?*

knee jerk reaction that stayed with us for years was - no more media. We have now of course adopted a healthy dialogue with journalists on the beat, not with an aim to give them news but to adopt a level of communication, to be leveraged occasionally.

Pfizer is one of the world's leading research-based pharmaceutical companies which has been strengthened with the takeover of Warner Lambert. We spend about \$5 billion on research alone. In our 50 years in India, we have been happy to look at ourselves as a leading research-based company, till we were shaken out of our stupor by an ORG report a couple of years ago. The study found that doctors believed that many Indian companies are more research-based than we are merely because they introduce newer products. Pfizer, Glaxo and Smithkline Beecham are not really research-based as they bring fewer products to India. We realised that we were way off in terms of our self-image and what market perception was.

Today, we are in the continuous dialogue with doctors on what Pfizer's research is all about. A number of events, communications and road shows have been organised to communicate to the doctors. Through a simplistic though impressive presentation, we are trying to reposition our selves with some amount of success.

(Excerpted from the presentation made by Dr. Gita Piramal, Director Corporate Communications, Blow Plast Ltd., at PR Pundit's workshop – Pillars of Corporate Reputation, held in Mumbai on March 29, 2000)