

## ***MANOJ CHAKRAVARTI'S VIEWS ON MANAGING CORPORATE REPUTATION***

Both image and reputation have to deal with perception, which in our society is more important than perhaps the truth.

*Image and reputation are not identical...*

Image and reputation are two sides of the same coin:

- Image and reputation are twins but not identical
- Image management is tactical whereas reputation management is strategic.
- Image is built at a cost whereas reputation is earned
- One pays to create and project an image whereas reputation is gained over a time
- Its faster to change an image but reputation takes a much longer time to stabilise
- Image can be competitive and changes as per the market trends whereas reputation is more sustaining and self assured, bringing in stability

The key drivers of changing, managing and enhancing image are the traditional tools of advertising, brand promotion, positioning, endorsements and associations. About four years ago, when Titan felt the need to refresh its image, it too used these tools.

Today, Titan has successfully transformed the image of a 20-year-old brand into a young, vibrant, contemporary one, by using these tools and micro segmenting the market into a portfolio of brands.

- It launched a young brand called Fast Track, which genetically re-engineered Titan's age. A youthful and trendy watch, it has John Abraham as its brand ambassador.
- Appointment of Amir Khan as Titan's brand ambassador was not only unusual but also distinctive and promising. The actor's presence has added an element of elan and style to the brand.
- The recent appointment of Rani Mukherjee as a brand ambassador of Raaga, the aspirational Indian women's brand, mirrored the importance of relationships.
- Launch of its premium watch Xyllys catapulted the brand into the league of premium swiss watches. Carlos Moya, Saira Mohan and Rahul Bose were chosen as the ambassadors for this brand, making Titan one of the few companies in the world to use three brand ambassadors for a single brand.
- Tanishq has become the nation's jeweler, communicating the trusted platform

Whereas images may need an overhaul or a makeover, reputation management is far more complex. Reputation is the strongest equity an organisation may have and can be a showstopper.

Like the heritage of Tata, reputations reflect the soul of the company.

Integrate CSR  
with business  
strategy...

This is also illustrated by Titan's example of being India's most trusted and admired brands over five years. Some of the factors that contribute to this reputation include:

- Titan has integrated CSR with its business strategy, as it believes that CSR does not merely mean charity; it has to migrate beyond philanthropy and form a key ingredient of the business planning process. The company has a 19-point CSR strategy and has invited professors from reputed universities like Cambridge and Oxford to dissect and analyse this strategy and help find any loopholes.
- It has exceeded compliance to the Disability Act. More than 25 per cent of its employees are disabled or differently abled as they are referred to.
- It is fair and transparent in its dealings with its associates, given that most of them have been with Titan since its inception.
- Its accessibility through customer contact points reinforce the image of the company. Titan works on a franchisee model and in such a business model, the franchisees or the business partners have to be well informed and well groomed to match up to the reputation of the brand. They are the custodians of the company's brand reputation and need to reflect the image of Titan.
- Titan follows the Malcolm Baldrige Business Excellence model that provides a 360-degree analysis of the company on leadership, strategic planning, customer and market focus, information and analysis, process management, human resource focus, and business results. Based on the above model the company follows a strict code of conduct that is well articulated and available on the Internet, making it transparent and clear in all its business processes.

At Titan, the custodian of Image is normally the brand-keeper whereas every employee / associate, led by the CEO, is responsible for protecting the corporate reputation.

Reputations are built over the long term and even a change in CEO may not affect it as seen in the case of Titan. The company had a brilliant visionary in Xerxes Desai who is credited as the cerebral creator of Titan; Bhaskar Bhat, who is a down to earth experienced professional and business strategist succeeded him. The transformation was well accepted by employees and customers alike.

For Titan, the core objectives of reputation management are:

1. Being perceived as a successful and profitable company
2. Conscious triple bottom-line compliance by the company
3. Sustained image of a sharing and caring company

All these objectives help generate affection from customers, employees and other stakeholders alike.

The above are measured through several indices and climate surveys, addressing opportunities for improvement year on year.

### **QUESTIONS AND ANSWERS**

*Was it a conscious decision to use CSR to build reputation?*

Manoj replied that Tata is sensitive towards CSR and the company's business model is built on the Malcolm Baldrige's business model, which propagates integration of charity and philanthropy into the business process. This is evident by the fact that the trustees own more than 70 per cent of the company's stock and 60 per cent of its CSR programmes are integrated with its business process.

Citing examples from Titan, Manoj shared that the Titan watches are assembled by a group of 250 women in Dharmapuri district, which is reported to have the highest rate of female infanticide in Karnataka. Fast Track's vision improvement division has developed a school for the community in Hosur in Karnataka, and its computer lab can match up to any international standards.

Manoj agreed that the CSR initiatives are a conscious investment of the company and even its stakeholders are extremely supportive of them. It is commendable to note that during a lock out, the workers continued to attend the community development forum and carried on the voluntary services, a sign of how CSR is deeply entrenched in the company's culture.

*Should CSR initiatives be branded?*

Manoj opined that company branding for the sake of showcasing accountability is justified and also by doing this, the company sets an example for a noble cause. Therefore sharing information of CSR does not necessarily indicate publicity.

Manoj added that though he agreed that CSR does not need to be publicised, but the information needs to be shared. It is necessary to convey to the community that the company does care for its folks. Until and unless the information is shared, the community would never know that the company cares for them and the very purpose of CSR would be defeated in such a case.

*Has Tata's legacy of over emphasis on CSR overshadowed its new age business? Is CSR a tool for the senior management to cover up failures?*

Manoj said that any organic institution has its ups and downs, which holds true to Tata as well. He reiterated that Tata is an extremely CSR sensitive company and has been so ever since its inception and therefore totally disagreed that it is a deliberate move to shift focus from the failures. He concluded by saying that Tata believes in corporate social responsibility and not social irresponsibility!

(Excerpted from the presentation made by Manoj Chakravarti, VP Corporate Affairs, Titan Industries Ltd., at PR Pundit's workshop, held in Bangalore on July 20, 2006)