

## R ANAND'S VIEWS ON ORGANISATIONAL COMMUNICATIONS

Change occurred at HDFC, 20 years ago, placing a lot of focus on public relations within the organisation. About seven or eight years back, in the midst of India's foreign exchange crisis, a day came when we realised the untapped potential of retail finance. HDFC's core business is housing finance, where we would lend in retail but borrow in bulk. We would be funded by organisations like the World Bank, CDC and others. A day came when we suddenly realised that thanks to the Government of India and the foreign exchange crisis, that we had never really tapped the other end of the market.

*...competition set in the realisation for change...*

So, HDFC decided to increase its focus on retail deposits, but what was more immediate was the competition that came in. We were a little shaken up because for the first ten years or so we had virtually no competition. For the first ten years, we relaxed and all we did was wait for customers, released a few advertisements and closed shop at the end of the day – when we could easily have been giving more loans. There was nobody else around and if you wanted housing loans you had to go to HDFC. All that changed.

The first change was addressed both through marketing and public relations. Everything else was the same. It was the same product, nothing especially different and more or less the same interest rates. The service centre concept was introduced to spread our presence instead of continuing with the representative office idea. The service centre was more focussed on the consumers, offering better services and building relationships.

*...1<sup>st</sup> step is to understand perceptions in the market place...*

Thereafter we came to the tough part of communicating, ensuring participation by the staff and building relationships. For this everybody looked towards public relations. When we started this exercise, we had people who came up with an "I think" attitude e.g. "I think that the business is going this way" or "I think that the business is going that way" and "I think that the consumers want this or the consumers want that." We launched a **research programme** focussed on perceptions. We focussed on perceptions because in a 'me too' product in financial services, it's not like an experience of having consumed a Coke, or having used the Lux brand of soap.

Perceptions of an organisation in the minds of customers

help them in their choice of trusting one organisation over the other. That apparently is the only difference between our competitors and us. So we decided to go a little deeper into analysing these perceptions before developing a PR strategy.

The first research programme provided quite a few surprise findings. They were not in the area of products or in interest rates. Some of them preferred *open layouts* and *number of visits beyond six was perceived to be high*. This was important because in the initial days, we had fancy offices. But the customer, who had to wait for a while, needed to be justified for that waiting time. This we felt could be achieved if we had offices that were open and where the customer could see and decide whether the period he had waited was worth it.

*...personalised service was a distinguishing feature for success...*

Similarly, we were expected to provide personalised responses and quick and correct replies. This was a major revelation for us because most of our people in the last 15 years of training had missed the personalised aspect of the job and this was hurting customers. Some said we were *rule bound* and true, because the documentation process is fairly labourious even though necessary. Therefore, we advised our people to explain to the customer on how and why these rules benefit them.

When the results of the first research was presented to branch managers, we were met with statements such as "I don't think this applies to our branch", or "There is some problem with the research agencies". In a way they were right because there wasn't sufficient evidence in my programme to convince them that this was true.

*...convince with evidence...*

So in the second research programme which had very similar findings and a similar response from the branch managers, we ran a tape. We got the research agency to call up each of the HDFC branches and each of our competitors with a standard question of how to go about getting a housing loan. We had framed the call in such a way that we would be able to measure flexibility in rules. The results showed us to be in the number 6 position!!!

*...to enlist employee participation...*

We didn't stop here but went on to enlist employee participation, which led us to a programme called *Quest*. We took the research findings to a professional trainer to develop and to understand what customer relationship-building is all about and how we can address it ourselves. It had to be a programme where people could learn how to listen to customers, understand, empathise and most important how to come up with programmes where they can address it themselves. We took this further from there

by getting teams, who would look at issues and work at it. We ensured that we had overall participation for team building with everyone chipping in with his or her ideas.

Finally we ended this programme by ensuring that top management endorsed it. We made the Managing Director and Executive Directors sit down and listen to what people had to say both in terms of solutions and the action plan. All this has helped us in coming a long way. When our Chairman looked at this programme the first thing he said was "I know that a lot of good things came out of Quest, but what are the bad things that we're not looking at, at all"? He then gave the example of the suggestion box in the various branches, which are never opened – and if they are at all, no suggestion had ever reached his office. HDFC had missed something as apparent as that.

We have now made it a practice, where the branch managers are to acquire feedback and pass it down so that the marketing and PR people can work on it.

PR has the total involvement of top management at HDFC. One thing very clear at HDFC is that PR is not only the task of the designated Chief of PR, but the responsibility of every officer and employee.

*...build  
relationships...*

We share information with the press regularly, we just don't call them up the day before a press conference – this just doesn't work. As a result, we have people coming to us regularly, getting to know what we're doing and getting positive coverage is not very difficult, but it takes a lot of effort

For both housing and deposits in our business, we have a clearly defined core triangle. We will ensure that we build relationships between HDFC, the customer and the builder as far as housing loan is concerned. Thus we have seminars, newsletters for builders etc. - everything to ensure that he is informed and that he in turn informs people.

One element of PR is the speed with which you disseminate information. You create a product today, somebody copies it tomorrow, so its life span is something less than 24 hours, sometimes even less than that.

*...and solicit and  
recognise  
feedback...*

The other aspect is the emphasis on feedback that we give to our employees. We have a mechanism within the organisation where it would go down to branch managers and to their officer. What we did to launch the feedback was to make the MD write to every employee to encourage new ideas - you could be a peon, a supervisor

or an officer – your ideas will go to the communication section, analysed and discussed. Often it is printed and it really motivates people. This is building relationships within. If our people are not motivated themselves, what kind of services can they provide and how can they be convinced to build relationships with our customers?

With all this, our feedback revealed that the employees did not consider it good enough. Employees did not want to read the in-house magazine, did not read the feedback. Therefore two years back, we introduced HDFC Panorama.

*...evolve new tools of communications...*

HDFC Panorama is a video-based programme that is produced about four or five times a year. We involve everyone making sure that the branch managers and all officers sit down with the staff and we cover what is going on in the organisation. Another element of the Panorama is as a news clipping service to get an update of what is going on in the industry. A pro-active PR programme like this helps everyone.

We also have an in-house magazine, which contains highly interactive 80 to 100 pages. We have the annual report, which we try presenting in such a manner that every time the management wants to share something, it is in the annual report.

Similarly 8 or 9 years back, when we had to focus on our deposits and agents we realised that we had to do more than just advertising. We built relationships with our deposit agents and our depositors. From a Rs.500 crores company, we are a Rs.5,500 crore company today. Our depositor base in those days was not more than a lakh, while today, it is 1.1 million customers. We have housing loan customers increasing at unbelievable rate. All this happened only because we followed a similar route in this area. We went through research to understand the deposit agents and then focussed on building relationships.

#### **QUESTION & ANSWER**

*How does HDFC support the activities of the Builder's Association of India?*

HDFC has regular Builder's Association meets where HDFC goes to the extent of organising seminars to address some of the issues put up by the builders. In the course of a similar interaction they came up with some suggestions on what all could be done to boost housing which were passed to the Finance Ministry. All this was made possible only through the kind of regular interaction that HDFC has with them.

*(Excerpted from the presentation made by R Anand, Chief of Public Relations, HDFC, at PR Pundit's workshop – The Contemporary Portfolio, held in Mumbai on March 17, 1999)*