



Reputation: How it is built and
maintained, and the role of

PR

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Preface

Businesses are getting increasingly conscious of the power of reputation. It is customers' perception of a company that drives purchase decisions. It is also what attracts talent and assures partners that they are doing business with a company they can trust. So, it's not just the end users that corporations are looking to impress; they are striving to connect with all stakeholders, which include employees, vendors, the community and the government.

For the public relations (PR) industry, this is a paradigm shift. Its scope is widening from the narrow media relations space to leading the overall brand building and maintenance function. It is now up to the PR industry to evolve from being second fiddle to advertising and corporate communications to becoming the leader in the marketing communications ecosystem.

This report, jointly authored by MSLGROUP India and Eikona PR Measurement, analyses the growing importance of reputation management and its impact on the PR industry.

India is a diverse, complex market, and these are interesting times for communications professionals as they strive to strike a balance between traditional and new-age media on the one hand, and modern communications tools like social media on the other.

Smart corporations have begun to acknowledge the role PR can play in reputation management and ultimately help achieve business objectives that go beyond numbers.

What is reputation management?

This is where it differs from branding. Communicators are recognising that while branding can shape reputation, it is reputation management that can create the right buzz about your brand.



Brand building is part of most corporations' DNA. However, in the past few years, communication experts have understood that sustaining the desired brand image is a greater challenge. It is here that corporate reputation and its management comes into play.

Your corporate reputation is based on stakeholders' perception of you – both in terms of your past and your potential. It is an intangible asset, but it has tangible implications on your balance sheet.

In most cases, companies erroneously believe that their reputation is what they think of themselves rather than how they are thought of. This is where it differs from branding. Communicators are recognising that while branding can shape reputation, it is reputation management that can create the right buzz about your brand.

A report on www.reputationmanagementfor.com summarised reputation as:

1. External perceptions of you
2. External conceptions of you
3. Behaviours that give rise to these perceptions
4. How people report their perceptions and conceptions

It is important to understand that corporate houses do not have one single reputation. It is imperative, therefore, that just as products are tailored to target groups, reputation is managed taking into account the stakeholders your company engages with.

While the core task of every business will remain the creation of demand and its satisfaction, what creates the ecosystem is 'people' – those who businesses want to build relationships with, from partners to consumers. Some, without really contributing to the top line, have a say. One set forms opinions and influences another set, say, regulators. Another significant part of this system is employees. And then there are the investors awaiting signals that nudge them to provide funds in the hope of high returns.

What binds and makes these multiple wheels of the business wagon move is a silent, yet intricate DNA strand called reputation. A brand without reputation, therefore, is a lifeless logo.

Why you need reputation management

Today, reputation management plays a multi-dimensional role. Jaideep Shergill, CEO of MSLGROUP India, said: "It moves consumers to trust your brand, convinces investors that they are making the right choice, attracts potential employees and gives staff a sense of pride. Communicators are calling this the 'Reputation Economy', and rightly so. Reputation management could be the fuel for your growth."

Building and monitoring reputation

1. Identify how you are perceived by stakeholders. Does the perception align with your vision, mission and goals?
2. If yes, strengthen that perception. If not, rectify it.
3. Have a strategy to promote the right content about your organisation, which will shape your reputation.
4. Back it with a social and digital media promotion plan.
5. Monitor the progress and modify the plan accordingly.
6. Be interactive while managing your reputation online. Informing is not enough; interaction is the key. Watch out for negative content. Verify its credibility and address the issue. If it is detrimental, take necessary action.

Reputation management can be categorised into three brackets:

- **Creation:** The initial stage of a venture is the most important as it lays the foundation for its future and gives you something to consolidate.
- **Maintenance:** This is important for an established organisation that enjoys a strong reputation. It is essential that the organisation continues to have a positive and reliable image among its stakeholders.
- **Revival:** Some circumstances are unavoidable; there could be a situation in which your reputation takes a beating. However, that can't be the end of the road; you need to go the extra mile to cover lost ground. This needs a systematic and comprehensive approach.

Online reputation management

Online Reputation management can be broadly categorised into:

1. **Observing what people say:** MSLGROUP India's 2012 report 'E-commerce in India: Evolution, Growth and Challenges' discussed how the consumer experience today revolves around the internet. Right from the thought of buying, to making the decision and to finally sharing the product experience, the internet is the consumer's companion. If your product and



service strikes a chord with the user, there is a chance that s/he will advocate it. However, if you get it wrong, be prepared for an avalanche of negative comments. More often than not, it's the negative comments that attract support as people join in to voice the problems they have faced.

2. **Managing what people see:** For online reputation management to succeed, it would be ideal to manage what people read about you online. Given the digital explosion, this is tough but watching out for negative content and restricting its damage can save you a lot of trouble in the long run.

Loss of reputation and its consequences

It takes years, sometimes decades to build reputation. But even a single blunder can have serious repercussions and lead to loss of face. This is especially true in the case of crisis management.

Lost in a maze of expansion and growth projections, senior executives often lose sight of crisis management strategies. In the next few years, reputation management will evolve as one of the major instruments of crisis management.

There is no denying that perception is reality and how the public perceives you in a crisis says a lot about your reputation. In the highly competitive media space, journalists are hungry for a scoop and if you are caught on the wrong foot, the media will have a field day.

The power of social media is undisputed. Negative comments go viral in no time. Remember, by the time you come back with your defence, the controversy would have lost its bite and you will find few takers.

The India opportunity



There are few markets as complex as India. On an average, every month, about 45,000 corporations or marketers communicate through advertising to create awareness about themselves, and demand for their 60,000 B2B and B2C products and services.

How many of these use PR? Given the clutter, are they communicating about themselves and their offerings through the year? Given the advertising costs, how are they managing communications objectives? These are critical questions for those in the business of communication.

Normally, most product categories' presence in the annual advertising communications calendar does not exceed four months. On the other hand, PR support for the same products stretches to at least eight months of the calendar.

Another aspect weighing on marketers' minds – both in terms of print as well as television advertising – is the problem of advertisement avoidance.

HOW AD AVOIDANCE HAS AFFECTED TV

Market	Genre	Drop in ad viewership - Prime Time (7 pm-11 pm)	Drop in ad viewership - Afternoon (12 noon-3 pm)
*HSM	Hindi GEC	23%	30%
*HSM	Hindi Movies	29%	33%
*HSM	Hindi News	39%	25%
*HSM	Music	29%	25%
West Bengal	Bangla Regional	23%	23%
Maharashtra	Maharashtra Regional	14%	15%
All India	Infotainment	34%	32%

**Hindi-speaking market. Source: Eikona PR Measurement. All data for cable and satellite audiences, 4+ years old*

While the entertainment/infotainment genre certainly witnesses ad avoidance impacts, even news channels face a similar problem.

The other reason for its decline is the diminishing believability of this tool. Rarely do we see marketers communicate the 'reputation' aspect of their product and/or the corporate brand.

TOP 10 AD PRODUCT CATEGORIES ON TV (JAN 2012- OCT 2012)			TOP 10 AD PRODUCT CATEGORIES IN PRINT (JAN 2012- OCT 2012)		
Rank	Category	% Share	Rank	Category	% Share
1	Social advertisements	4	1	Social advertisements	7
2	Toilet soaps	3	2	Property/real estates	5
3	Cellphone service	2	3	Auto-cars/jeeps	4
4	Cellphones-smartphones	2	4	Independent retailers	4
5	Toothpaste	2	5	Hospitals/clinics	3
6	Shampoo	2	6	Multiple course centres	3
7	Auto: Cars/jeeps	2	7	Coaching centres/computer exams	2
8	Biscuits	2	8	B2C/online shopping	2
9	Fairness cream	2	9	Specialised educational institutes	2
10	Jewellery	2	10	Auto: Two-wheelers	2

Source: ADEX INDIA, a division of TAM Media Research

The table above shows that only a fraction of the categories have shifted their advertising philosophy from 'buy me' to 'why me'. The factors that build belief are missing. Consumers are experiencing an information explosion; they are not satisfied with merely information about products or services. They instead want a 360-degree perspective that includes value for money, product lineage, corporate philosophy, credibility, ethics and sustainability.

For the PR industry, this is a huge window of opportunity.

Siddhartha Mukherjee, senior vice-president, Eikona PR Measurement, said: "The potential and deliveries that advertising brought to a brand custodian as a standalone communications tool has lost its firmness. Today, custodians need integrated help through PR. It's early days, but editorial/content is emerging as the new tool for communicators. Media agencies, which typically comprised the planning and buying functions, are gradually exploring the content space as well.

"Most businesses are yet to recognise how PR is a perfect fit here. There is an urgent need to justify the role it can play in brand building. PR professionals are in the business of storytelling and content creation. Custodians are fast learning that what they have been trying to achieve through the pay mode can well be achieved through the unpaid mode."

This effectively means that the Indian PR Industry is on the cusp of a dramatic change. It's time for PR agencies to substitute or supplement their standard offerings to include branded content.

Online and offline PR

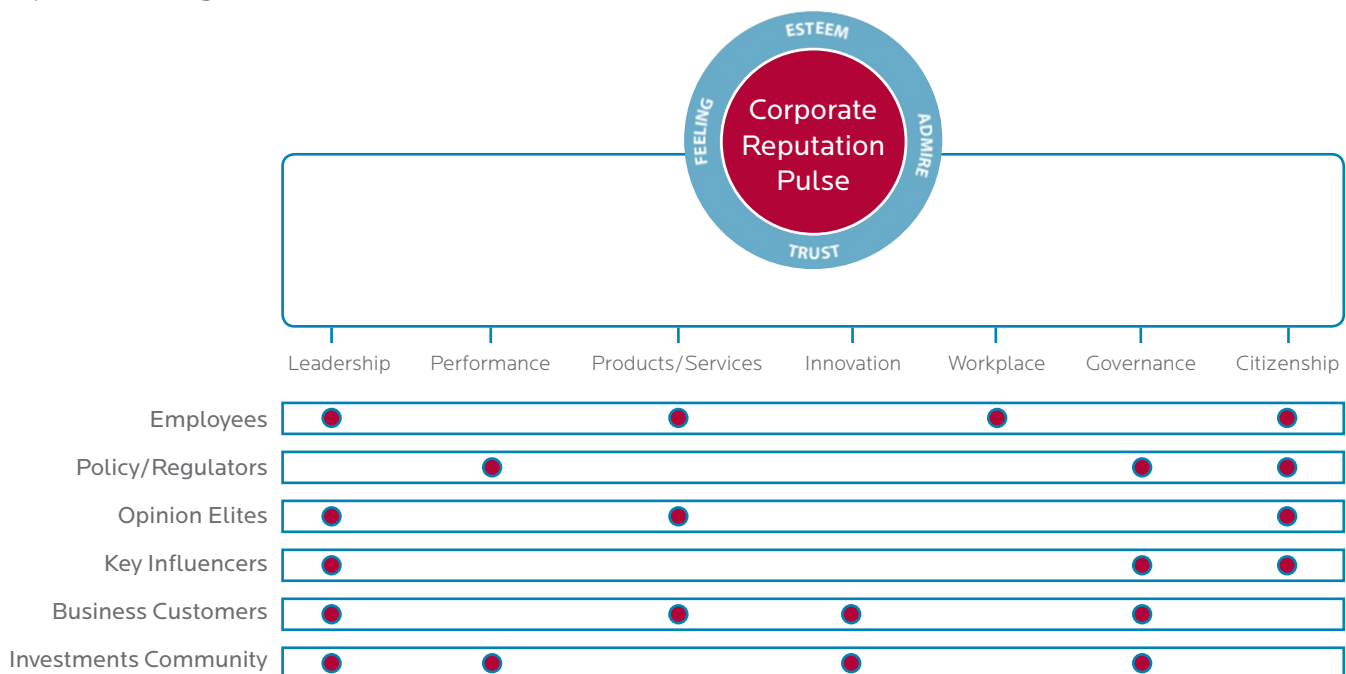
The PR agency is not merely a custodian of brand visibility. It is in charge of the qualitative and quintessential task of generating a range of positive emotions that build a brand's reputation. Both, in business-as-usual and business-not-as-usual scenarios, every stakeholder's emotions have to be gauged and managed. Managing emotions well consistently will translate into the desired brand perception.

In India, offline mediums – print, TV, radio, experiential or on-ground activation – are still key. Online activities are yet to become an essential part of the 360-degree brand campaign matrix, though that is changing fast.

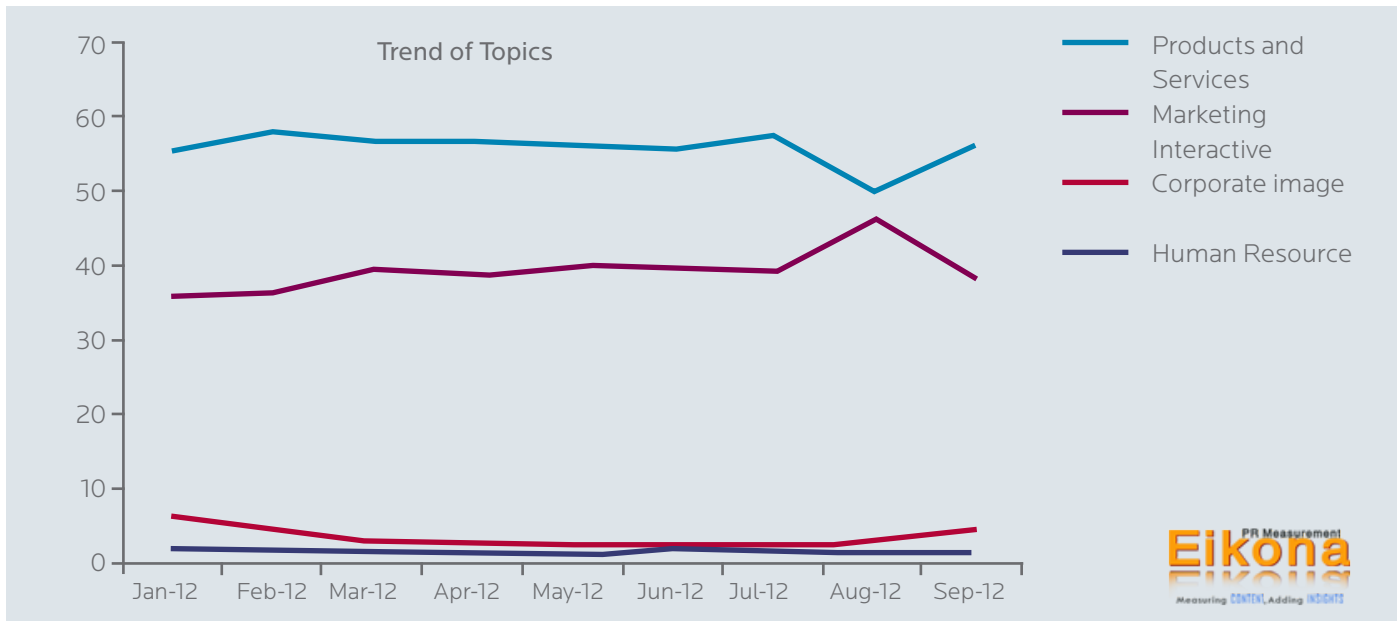
Mukherjee pointed out: "Reputations are built or destroyed at every single manifestation or touchpoint of the organisation. The office reception, the products showcase at outlets, employee behaviour, financial results, CEO speeches, advertising, and others collectively impact reputation. All this can be addressed, managed and controlled by systematic offline and online reputation management."

The below chart underscores the need for a company to regularly expose itself to all stakeholders to build a healthy reputation. There needs to be a steady stream of messages in the market tailored for specific target groups. While current and prospective employees are keen to know about the organisation's leadership, products/services, workplace and citizenship, the investment community wants to know about business performance, innovation and governance.

The reality, though, is strikingly different.



Source: Eikona PR Measurement



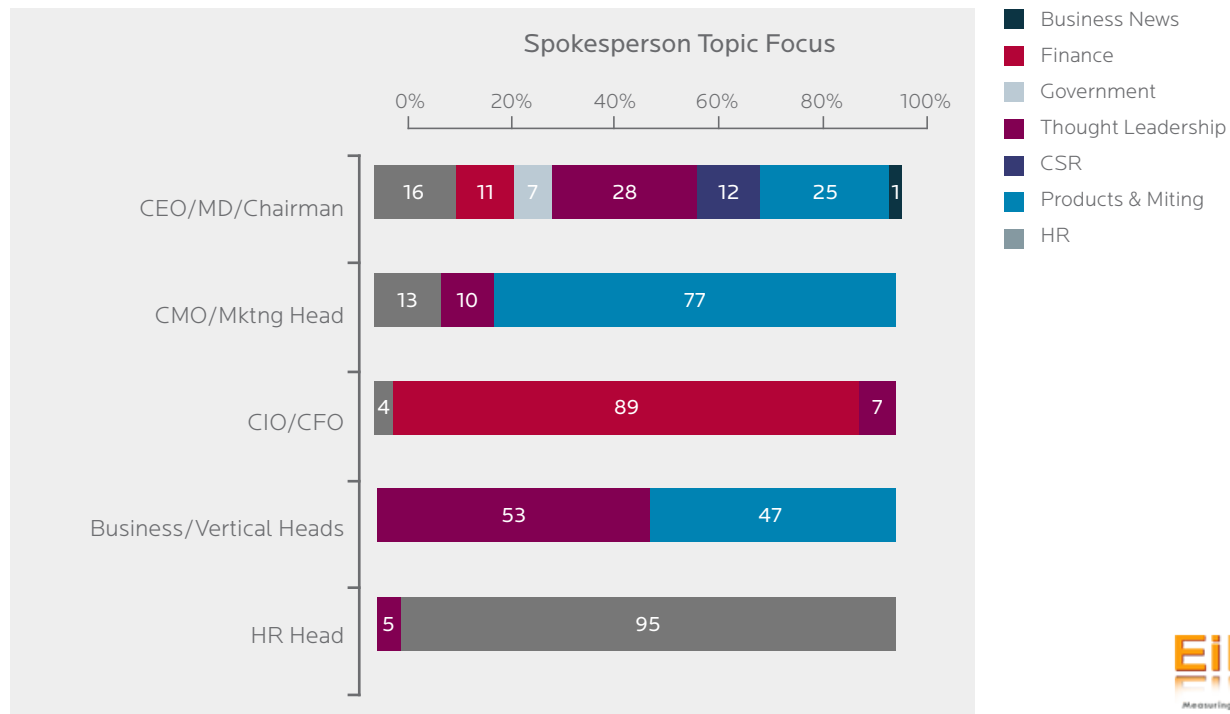
Period of Study: Jan - Sept 2012
 Medium: Print & TV
 Unit of Measurement: No of Articles

As seen in the chart above, most PR communication is concentrated around products, which creates a myopic business-to-consumer conversation path.

Mukherjee said: "For an organisation to put in place a robust reputation management machinery, aligning to a singular reputation building agenda internally is paramount. This would mean that all the spokespersons are clear about the distinct messaging charter each has to follow."

Here, too, the picture is quite different.

Spokesperson Spread by Topics



The above chart is an average representation of the messages several company spokespersons focus on, in terms of news visibility. Most organisations across industry categories fail to stick to a defined charter that each spokesperson should talk about.

Implications for the organisation



Every external stakeholder of a business expects a certain standard of operation within the ecosystem. Sadly, few go beyond numbers and targets.

Out of every 100 units of communication being published or telecast, more than 80 are about product and service offerings, marketing and distribution initiatives. Most corporate communications desks are linked to and accountable to the marketing desk. There's little messaging on other key aspects of an organisation like human resources, financial stability, corporate social responsibility or thought leadership.

The answer to why a company engages in PR is most often unsatisfactory. For instance, out of every 100 units of product- and service-led communications being

published or telecast, more than 85 are about new launches. A focus on old product sustenance, after-sales service or sales support is rare. This is a reflection of what corporations focus on and how they leverage their PR agencies' services. The pressures of topline and bottomline dictate this impatience, thereby creating the shortest product launch communications cycle and moving on to the next even before the first is completed.

A communications campaign gets purpose when it has a clear objective. However, most internal stakeholders have no clear idea about why they are engaging in PR. Most believe that it is a necessity because:

- a) Competition is doing it
- b) Feels good to see the company mentioned in the media
- c) To establish advertising equivalents

Impact on PR



For the longest time, PR in India has struggled to establish its role in meeting the organisation's communications goals. In most cases, it is treated as a poor cousin of advertising, its role restricted to media coverage. The industry is still plagued by the following issues:

- The industry has still not been able to weed out the issue of equivalent advertisement values (EAVs) as a measure of performance. This is one of the main reasons why bigger budgets have eluded the industry.
- There is no scientific measurement of the value that PR brings to the table. Audits, measurements, monitoring, accountability, research and insights are missing from the PR lexicon.
- Agencies have failed to move beyond readerships and circulations to transform themselves into consultancies that offer 360-degree communications solutions.
- In order to play the central role in reputation management, PR consultants must initiate a constructive education campaign within the client organisation and show it the path to long-term organic and symbiotic growth.

New-age PR and reputation management

Business organisations are beginning to revisit communications plans. Besides aiming to synchronise paid and unpaid communications, they are also evaluating if media activation could lead to reputation building and not be limited to media coverage. Shergill, stressing the need for an integrated communications approach, said: "Both, corporations and PR agencies, need to work on a partnership that is mutually beneficial. If reputation management is to make a genuine impact, the client and agency have to establish a sustained partnership where media coverage is incidental and the primary focus is on achieving business goals."

Some important changes within organisations are:

- While marketing communication is driven by the marketing team, corporate communications is increasing its share in the communications grid. Corporate communications desks are spending more time with organisation heads such as CEOs and MDs, who should ideally be considered as chief corporate communicators.
- Communication plans are being aligned with business calendars and discussed against a set of business objectives. Media relations are being used to ensure traction and long-term loyalty from various stakeholders.
- Top management and spokespersons are being put under the key result areas and key performance indicators scanner in order to constructively use communications to meet business objectives.
- Stringent yardsticks are being put in place to gauge the effectiveness of the communication used by various function heads. For instance, in some organisations where recruitment advertising budgets have been slashed, the function heads are being asked to use cost-effective PR for talent traction and sustenance.
- Communications teams are being synergised with the central organisational research desk. This means that for the first time PR is being acknowledged as a brand building tool on par with other tools.
- What the PR industry needs to do away with is the stress on EAVs and focus instead on reputation management. In the new scheme of things, it is reputation management that will act as a catalyst for growth – intellectually and financially.

MSLGROUP India

MSLGROUP is India's No.1 strategic communications and engagement company. We are trusted advisors and storytellers for the conversation age to our 220+ clients, offering integrated communications services, through four distinct brands: MSLGROUP, 20:20 MSL, MSLGROUP SOCIAL HIVE and MSLGROUP CREATIVE+. MSLGROUP in India, combined, includes 12 offices in 8 key cities, 550+ professionals and an activation network reaching an additional 125 Indian cities. Our extensive network, backed by our expertise, covers 8 speciality practice areas. Our thorough understanding of these areas, has translated into a proven track record of helping our clients engage with their audiences, 24x7.

MSLGROUP Asia

For 24 years, MSLGROUP's Asia team has counseled global, regional and local clients, helping them establish, protect and expand their businesses and brands across this fast-growing region. Today, MSLGROUP has the largest PR, social media and events teams in Greater China (16 offices and 1,000 colleagues) and India (16 offices and 550 colleagues) and is actively working to lead the development of the industry with the regular publication of whitepapers/reports and innovative Learning & People Development programs to nurture talent. The MSLGROUP Asia team includes 38 owned offices and 1,675 colleagues in Beijing, Shanghai, Guangzhou, Chengdu, Hong Kong, Macau, Taipei, Tokyo, Seoul, Singapore, Kuala Lumpur, Mumbai, Delhi, Ahmedabad, Pune, Bangalore, Chennai, Hyderabad and Kolkata. An activation network of colleagues reaches an additional 125 Indian and 100 Chinese cities and a strong affiliate partner network adds another 23 Asian cities to our reach. MSLGROUP Asia's teams have been recognized as leaders by multiple industry groups, including most recently MSL India ('PR Agency of the Year 2011' by PRCAI), Luminous ('Local Hero/Agency of the Year 2010' by Marketing Events Asia), Genedigi Group China ('Innovative China SMEs' by Forbes China), ICL MSL Taiwan ('Agency of the Year 2011' by Taiwan Advertiser Associate), and has won more than 50 awards in the last two years. Learn more about us at: asia.mslgroup.com + [Twitter](#) + [Facebook](#)

For more information on what MSLGROUP INDIA PAR has to offer to your company,

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MSLGROUP

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Eikona PR Measurement

Eikona PR Measurement, a division set up in 2004 by TAM Media Research (a JV between Nielsen (India) Pvt Ltd and Kantar Media Research), specialises in reputation measurement and regular audits of PR communication initiatives undertaken by organisations with respect to their competition. Eikona offers standalone, neutral and holistic multi-media PR measurement and audit services across newspapers, magazines, TV news channels, websites/portals and social media. With the largest infrastructure, specialised talent pool, in-depth and state-of-the-art analytical online tools and a strong parentage, it is recognised as the leading provider of PR audit reports in India. One key area of specialisation that Eikona has set up is in the area of reputation management. Eikona offers expertise to help clients manage their reputation with the right measurement and audit data combinations.

