

HARSH SINHA'S VIEWS ON IMAGE MANAGEMENT

Perceptions of SRF... Reflecting on SRF Limited's experience with evaluation, Harsh Sinha shared the company's rationale for evaluation and the genesis of the proprietary methodology.

The period under discussion was when SRF mostly invited negative media coverage. The link with DCM was prominent, whereas the company was trying very hard to de-link itself from them. Positives were being projected as negatives, for example, the sale of SRF Finance which was the result of our timely strategic planning (most NBFCs were being shut those days) and our foresight in doing so was presented in the media negatively. SRF was also being projected as a company ripe for a take-over. Other perceptions included being seen as an unprofessional family-run company with a 'lala' attitude, which hampered its image and credibility.

SRF's product portfolio was not understood at all and the core businesses were seen as being in the sunset industry. In terms of financials, SRF was seen as over stretched and cash-strapped. All-in-all, the perceptions in general were that SRF was conservative, slow-moving and a 'not happening company'.

The reality..... The reality was starkly different. SRF had a clearly articulated mission statement towards all stakeholders. In terms of business strategy, the company had identified core businesses deemed to be long term winners. The products met international standards and the operating margins (30 per cent) have always been among the best among capital intensive companies. As far as financials were concerned, consolidation was under way. The management was competent and professional and contrary to what people would have liked to believe, the family (Bharat Ram's) did not interfere with the management of the company.

SRF's basic communication objectives... Thus, the basic communications objective emerged as getting balanced coverage from the press and the strategy was to bridge the gap between perception and reality and forge a deeper understanding between the members of the media and the company. The strategy was to focus on key analysts in business publications and to neutralise negative reports from journalists by showcasing hard facts. The route adopted was to identify such journalists and make personalised presentations to them.

This strategy resulted in three clear benefits:

1) A fuller awareness of the company. If there was something negative about the company, it was not seen

in isolation as the journalist was in possession of the complete picture.

- 2) The company was positioned appropriately and the journalist was positively oriented towards SRF. This also prepared the ground for an open and transparent relationship allowing the journalist a sense of comfort in checking facts/opinions with the company before writing anything negative.
- 3) It saved a lot of top-management time. The press queries were answered before they met top management.

Evolution of model to track PR effectiveness....

A need was felt to measure the effectiveness of this approach, which resulted in the evolution of a methodology. The endeavour was to build an index specifically to measure press coverage. SRF wanted some kind of measure, which could act as a surrogate to image measurement, an index, which could combine qualitative and quantitative impact.

'The index of impact'

The index SRF came up with was **'the index of impact'**. Each item that came out in the press was evaluated on 2 parameters

- ◆ **Content**
- ◆ **Coverage** – further broken down into quantitative & qualitative.

The quantitative aspect was measured by ***circulation and prominence*** and the qualitative aspect was measured by ***credibility of medium and tone***. SRF developed a rating instrument in which circulation, prominence and media quality were rated on a 10 point (except 0) scale and tone on a 10-point scale (but from -5 to +5 covering both direction and extent).

Circulation...

The bands of circulation were attributed with the following weightage:

- Upto 1 lakh – 1-2 points awarded
- Upto 20 lakh – 7-8 points awarded
- Over 20 lakhs – 9-10 points awarded

Prominence....

10 questions were listed to gauge prominence, some of which were:

- ◆ Is the connection with SRF direct, indirect or remote?
- ◆ Is it a prominent page (1st page or business page)?
- ◆ Is it prominently positioned on the page?
- ◆ Is it in a special column?
- ◆ Are there any photographs, graphs, tables, visuals that attract attention to that item?
- ◆ Is the heading font one of the largest on the page?

The answers were then summed up and divided by 10.

Media quality...

A database was created to rate the media quality. Each

paper was attributed a media index.

Tone....

An internal team of evaluators from various business areas rated the SRF mentions independently on tone. They had to provide ratings on:

Does the headline put SRF in good light?

Does the investor see an impact on him directly or indirectly?

Does it impact the long-term or the short-term image of the company?

With this the company was able to arrive at a single score for tone.

The combined scores provided one final score and this formed the basis on which the public relations programmes were continually evaluated.

QUESTIONS AND ANSWERS

Did you have any competitive disinformation activities in the media and how did you handle it?

Harsh Sinha replied that there wasn't too much competitive disinformation. Negative reports were actually coming from the media since SRF had handled the press very badly. There were issues that were well known but the company continued to deny it. The company perspective was that the press would anyway write negative reports no matter what it did. The main aim of the company was now focussed at neutralising these negative reports and the success rate in containing negative reporting has been good.

Was there a considerable increase in the deposit flow, which was coming to you after countering negative media reports?

Harsh Sinha stated that SRF's fixed deposit base had dipped from a high of Rs 50 crores to a low of Rs 15 crores. To reverse this downtrend, a series of presentations on SRF was made to brokers throughout the country and over a period of one year the figure rose to Rs 48 crores. The issue of deposit depletion was tackled through communications with brokers as they were the main influencers in this scenario. The main objective at that point in time was to get an image that was balanced and based on facts and not based on the huge amounts of negative publicity that SRF was receiving. Share prices had dipped to far below Rs 10 – to a low of Rs 7 and through this communications strategy, SRF got back to its former levels of Rs 25 - Rs 30.

Comment on the strategy of one-on-one relationships with media and the kind of benefits gained by educating them. How does this

Harsh Sinha said that he agreed with these perceptions regarding shifts in the capabilities of current day journalists and quoted an experience that SRF had undergone sometime earlier with two new journalists - from the Economic Times and the Business Standard. The company gave both journalists the same material to work on, and while one of them came up with a turnaround story, which was very positive, the other came up with a negative story.

*happen in the
current day
context where
the level of
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where
reporters with
six months or a
year's
experience
write page one
news?*

(Excerpted from the presentation made by Harsh Sinha, GM HRD & Corporate Communications, SRF Ltd., at PR Pundit's workshop, held in New Delhi on November 2, 2000)