

RAJIV AHUJA'A VIEWS ON FINDING A VOICE IN THE CROWDED MARKETPLACE

Amex....its history and core values...

American Express is celebrating 150 years of its existence this year. It started as a freight forwarding company then moved on to logistics, added concierge services, invented money order, travellers cheques, introduced the plastic card and continued to reinvent itself all through these 150 years. **But what remained constant were the company's core values.** Those values are to make the customer feel special and respected through *unsurpassed services, integrity and expertise*. The work done can be as difficult or as easy as we make it. What American Express does is to develop some key messages and find appropriate platforms to deliver those consistently.

Reputation of a company...

Today, as never before, American Express feels that the greatest asset for an organisation besides its people is its reputation. If not for the strength of the brand name the company would have collapsed by the late eighties. There was a period of strategic errors at a time when the company had the world at its feet and threw it away because of several wrong choices made. But it recovered because of the strength of its brand name.

Overview of the business environment... challenges for PR professionals...

Global competition is both a threat as well as an opportunity. Consumer needs are being clearly understood. Positioning is becoming very smart. Marketing initiatives are becoming more enduring and delivering some level of longer-term play. But customer fatigue is increasing as well.

Impact of privatisation...

Privatisation has changed India. Today, we as consumers have a choice. If we do not like Hutchison Max we have the choice of switching to BPL. If we do not like DHL then there is Fed Ex. From an economy of shortages we have moved into an economy of choices. Aviation, banking, the cards business financial services, health care were never evaluated. We took what we got. Consumers today have become more discerning due to the information boom, awareness of global products, and understanding of the brands. Consumers have begun to make choices based on what they believe are of value and what will fulfil their needs rather than what is available. Previously questions asked while starting a business were on the possession of a licence and requisite money. Today they have changed, technology, brands are important.

The most compelling differentiator that an organisation can build today is its brand. American Express recognises that and captures it in its vision statement.

Multiplicity of options...

There is also a multiplicity of options. Today a Star World is far more amenable to a certain psychographic of the population than another channel. Financial Times the supplement of the Times of India makes far more sense than another publication to some. So there are far more options that are available today. The channels/ publications available today are carving out a niche for themselves based on consumer profiles.

Value of PR to a brand...

As brands are becoming more relational than transactional, it is for public relations to provide reinforcement to that brand and add credibility to the brand promise. The challenge that corporate communications professionals face is how we can contribute constructively to the brand.

How does a corporate communications professional manage increased transparency? Perceptions are reality and several industries have a perception, which is so strong that it is difficult to change it. The requirement is to drive change in the perceptions of the industry that we are in or the products offered.

Impact of global happenings in India...

There is an increasingly interlinked market place – for example, if American Express were to exit a business or JV in the Philippines it would have a cascade affect in India. Recently there were discussions in the US about Morgan Stanley and American Express on a merger possibility. It hit the front pages of Economic Times. If someone from the paper had called and we did not know about this, the credibility of the company would get impacted. Multinational companies and multicountry companies have a bigger challenge in that sense.

Differentiate the product to find a voice....

Hence the need to work towards a planned strategy that aligns with the brand strategy. Organisations have to carve out a credible position in this highly competitive market place, build a differentiation in products so that it is not 'a me too product'. American Express has faced several situations such as the decision not to launch a product because it felt that the market is not ready for the product.

At American Express the Public Affairs and Communication function is independent of the business. It comments on strategy, on what's happening and takes an external view. What is important to remember is that one should stick to the truth, maintain a holistic view of the organisation and remain focussed on the messages that the organisation needs to deliver.

Tools for effective communication

- Preparation – there is no substitute for this
- Get the key messages right
- Anticipate questions
- Prepare answers
- Look for what the media might be looking for
- Competition- incredible source of story ideas, story ideas that we can take to reinforce our key messages
- Internally build an appetite for bad press, our key business leaders need to be prepared for it
- Candidly evaluate the news value that we are discussing
- Ensure that expectations are well defined

Customisation of messages for the desired impact..

Customisation of messages- often we talk about market segmentation, product differentiation as good management strategies, but its not necessarily how the media would like it. When American Express launched the co-branded card with MTNL, it was the first such card launched. The company looked at widening the base to everyday spending . It was positioned as a telecom card and also enunciated the strategy for this activity looking at it from an industry perspective - it's the end of the one-size fits all in the card business. Today it is Industry Speak. Almost every industry based article talks about the end of the one size, talks about product differentiation, market segmentation as a part of editorial.

Other means to find a voice in the crowded market place....

There is a lot of intellectual territory that the media thinks they own and have built over time. Supplement that by offering them intellectual value. Invest in customising the findings of market research studies. American Express issues an airfare index every quarter. It's the largest corporate travel agency in the country and the world. Where does the company build salience into its travel service? By building an intellectual observation on how the travel market is going - hence this niche index. Most times it is used by publications and talks about how the airfare tracked in the last quarter in India, or in this region of the world. American Express does a survey every six month on the investment /savings in India - this research is then turned around and positioned as a survey adding value. It makes great front-page news. The product is already in the market but can be turned around.

Philanthropy - this is done by many organisations but is not adequately leveraged in the media. Here is a great opportunity. It is good to keep these stories in hand which can be used with media. What is essential to remember is to ***be aware of what you don't want written. News is what you don't want printed, the rest is PR***

QUESTIONS AND ANSWERS

What is your view on policy issues that become difficult for the management to comment on?

As a rule Amex does not comment on public policy/Govt policies. We shy away from commenting or discussing it in the public domain.

We do not comment on budgets, credit policy – we do comment on fundamental activities, like the regulations, opening up of the economy, corporate governance, fundamentals that would be good for corporates and corporate excellence. However, we are open for discussions – on an informal basis – only when people do need our comments.

(Excerpted from the presentation made by Rajiv Ahuja, Head of Public Affairs & Communications, India & Area Countries, American Express Bank Ltd., at PR Pundit's workshop, held in Mumbai on June 14, 2001)