

THE FUTURE IS CALLING. WHERE ARE YOU?

Trends that are shaping Public Relations

In my recent travels to USA to attend the <u>IABC World Congress</u>, I had the opportunity to interact with some remarkable professionals from over thirty countries and listen to experts from around the world. What I learnt was some bit exciting, some bit exhilarating and for most part, an affirmation of the thinking I had for founding <u>Astrum</u>, as a science based digital first specialist <u>reputation management</u> advisory.

Before I talk about the trends in Public Relations, it's important to understand what's keeping the CEOs awake at night, this view would add a good context to the adoption of the next practices for Public Relations?

The three **R**s that's keeping the CEOs awake at night: **R**eputation, **R**isk, **R**eturn-on-Investment



1. Reputation, their Company's & their Own.

Uber, with a valuation of approx. \$68bn has come to re-define transportation and today, present in over 80 countries; at the same time, it has suffered several blemishes to its reputation being mired in regulatory disputes, company culture related issues and business relationship with its driver partners. Further, its founder and CEO, the charismatic and dynamic Travis Kalanick had to resign bowing to pressure from major investors on the back of a <u>damning</u> report by a former Attorney General of US, who recommended 13 changes, that Uber needed to make, to regain its reputation. Amongst his recommendations, a new role for Mr. Kalanick, the CEO.

Closer home, the board room battle in the Bombay House, the HQ of the **TATA** Group, the holiest of the holy cows of 'Corporate India', made headlines for weeks. The jury is still out on the impact of this tussle on the reputation of the group and two protagonists. More recently, **Infosys** management, the bell weather of the Indian IT industry faced governance allegations by the company patriarch and founder Narayana Murthy. Only the results of an independent enquiry exonerating the management from any wrong doing took the pressure of the much-acclaimed CEO & MD Vishal Sikka and the Board of Directors.

Clearly, Reputation is center stage and the CEO as the alter ego of the company, is increasingly coming under the microscope of his stakeholders. BP, Volkswagen, Satyam, Kingfisher are more examples and the list goes on.

Q: How can Public Relations be a strategic Reputation Management partner to the C Suite?

2. Risk, Regulation & Reputation.

A minor change in policy may stall well laid out plans of a business and bring a wind fall to another. The digital payment pushes and decision of Government of India (GoI) to demonetize currency came as a boon for Digital Wallets, like **Paytm** but a nightmare for many others. Negotiating regulatory volatility to protect and grow the business is a significant challenge for the C Suite. For example, President Trump signed an executive order in April for tightening the rules of the H-1B visa programme ostensibly to stop visa abuses. He said his administration is going to enforce **Hire American** rules that are designed to protect jobs and wages of workers in the US. Whilst the US government ponders over potential reforms to its H-1B programme, its decision has impacted the Indian IT industry which is seeing massive layoffs.

At home, the Indian Government has been accused of 'tax terrorism' by some foreign investors. The **Vodafone** saga is well documented and said to have contributed to the decline of sentiment amongst Foreign Investors amongst other policy issues like Intellectual Property Rights and market access restrictions.

Accidents resulting in injuries or fatalities, product recalls, activism are 'reputation risks' most familiar to Public Relations professionals. Pepsi, Coke, Nestlé, amongst others have faced such issues but one of the most significant reputation risks that we face today is **CyberThreat**.

This is the dark side of an online world. CyberThreat is defined as "the possibility of a malicious attempt to damage or disrupt a computer network or system." WannaCry, a malicious virus held governments and companies across the world to ransom till a 'kill switch' was accidentally discovered. Add to that, theft of personal information of customers, is the nightmare scenario for most companies. As I write this (June 27, 2017), **wsjonline** is reporting that **WannaCry type malware** hitting business across Europe.

Regulatory and Reputation risks in a borderless and VUCA (volatile, uncertain, complex & ambiguous) world can damage a company's reputation and business almost overnight.

Q. How can Public Relations, help companies negotiate better, Regulation & Reputation Risks?

3. Return on Investment, winning in the market.

Protecting market share is table stake today, winning to be a 'market leader' is the C Suite's key focus. In a hyper competitive VUCA world of impatient investors, fickle customers and employees. Proliferation of brands has made the consumer, King. How do you stay ahead & stand apart? **Amazon** and **Flipkart** are today, poster boys of the e-commerce boom in India. Both are involved in a slugfest for capturing the leading share of (\$850bn by 2020 according to Forrester) the Indian market. The stakes are high. The casualty: **Snapdeal**, which saw a valuation of \$6.5bn in 2016 is, now being sold to Flipkart for a mere \$850mn. Do the math. Similarly, the Indian auto industry saw a shakedown due to competition. **General Motors**, the world's largest automaker recently announced its departure from India.

One needs only to look at the impact of **Jio** on the telecom sector in India, to understand how a new disrupter can change the game in a hyper competitive market with evolving regulations. America First, Brexit & Make-in-India are signs of how nations continue to put their own interests first. How do you manage growth in a world that is increasingly building walls? In a **VUCA** world, winning is important, but good reputation is a source of competitive advantage. Gaining consumer & employee trust and respect is the 'X factor' to being a market leader. Good governance & business ethics contribute to gaining trust of regulators and bizinfluencers[™].

There can be no better opportunity for Public Relations/Corporate Communications Reputation Management to play a significant role in helping companies win and stand apart from their competitors. Their role as conscience keepers, the external eyes and ears and stakeholders', relationship managers, is central to an unblemished reputation over a period of time. Public Relations can partner the C Suite in making <u>the right choices</u> to win and stand apart?

There are the underlying issues that are impacting the role and practice of public relations today. To be a strategic partner to the C Suite, Public Relations professionals will need to be sharper, smarter, swifter, be more adaptive to the changing skill needs if they are to be trusted counsellors who help crystalize public opinion and not just be a via media for good visibility.

So, what is driving the next practices of Public Relations?



1. Role of Technology & Automation to become sharper, smarter and swifter

Whilst Search & Social so far have predominantly driven Online Reputation Management (ORM) practices, technologies like Artificial Intelligence (AI), Virtual Reality (VR) & Natural Language Programming (NLP) are shaping the way companies gain insights, crate content and users consuming it. Whether it is about understanding their stakeholders better than ever before, or be able to predict their actions. <u>IBMs Watson(AI)</u> for example, helps process massive amount of unstructured data that is being generated in the online world to make decisions that influence just about every aspect of business & communication. Facebook's AI Messenger Assistant, Facebook 360, Bots, & VR phones from Apple, Samsung, HTC amongst others, are examples of how **immersive experiences** are generated and consumed on the social media.

Public Relations professionals would need to understand the use these <u>technologies</u> to listen better, gain sharper insights and create immersive content to help their clients win and manage reputation risks better. When we think about Reputation Risk, would traditional public relations deal effectively with a global meltdown resulting from a cyberthreat? Threat responses need to be real time & without boundaries. ORM practices supported by adaptive and intuitive technology would help clients be better prepared and get ahead of the news curve to mitigate/minimize damage.

It would be easy to assume that these shifts are on the fringes of the communication world but I reckon, they will very rapidly become mainstream. If we thought the <u>'future of jobs'</u> in public relations would still be about media traditional or new, time to smell the coffee.

2. Use of Science & Analytics to make more informed choices & demonstrate results

I have been a life-long advocate of the use of <u>Science and Data in public relations</u> Both speak of an undeniable role in informing the choices to build a persuasive reputation campaign. They help shape actions & messages to gain trust of the public. The use of Data Science by team Obama is well documented. He recorded a historic 'come-from-nowhere' victory. The BJP made extensive use of science based polling & data analytics to understand voters and battlegrounds to win in 2014 General Elections. They recorded an unprecedented win. This has been extensively covered in the book written be a well-known political affairs expert, **Rajdeep Sardesai** (@sardesairajdeep) in his book titled 'The Election that changed India'.

An example from the corporate world. **Dell** has reportedly trained over 10,000 employees through their Social Media & Communities University program to be brand advocates online. Says Karen Quintos, CMO, "Through Dell's Social Media Listening and Command Center, we aggregate and find our way through the 25,000 conversations about Dell every day (more than 6 million every year). And that's just conversations happening in English! We're monitoring conversations in 11 languages 24/7, and each one is an opportunity to reinforce our brand. With the colossal volume of information being generated, we can track basic demographics, reach sentiment, subject matter of the discussions, the virtual sites where conversations are happening, and more. We leverage these **analytics** to identify customer support needs as they happen, influence product development, insert into conversations. It's this kind of reporting, that enables us to better understand our customers and ultimately to be a better-quality IT partner."

Disclosure: Dell is not a client of Astrum. information source: www.marketingcloud.com



Source: http://www.erastrat.com

Measurement Metrics have long been the holy grail of public relations. Science and Analytics form a solid foundation of both the start point and <u>'empirical evidence'</u> to measure progress and results achieved. Only use of science and analytics based work will get Public Relations a seat at the board room table.

Public Relations professionals would therefore, need to adapt to the use of the state-of-the-art techniques like social media ethnography, tablet and phone based polling, SM analytics, Artificial Intelligence (AI) and machine learning amongst others to gain insights and be more effective in guiding the CEO about actions that the company needs to take to protect and nurture reputation.

3. Leveraging Consumption Convergence. Beyond views to engagement

Convergence is defined as "when two or more things come together to form a new whole." It was the buzzword in the early 2000'. I believe, we are only now experiencing the real benefit of convergence which I call the 'convergence of consumption'.

Today communication and content can be generated & consumed across screens: TV, notebook, tablet and phone, what I call **Device Convergence**.

The same content can be consumed across various platforms, paid, earned and owned. It could be company website, and/or SM channel, be a written by a blogger in his/her Blog or could be branded content on a media website or even an editorial in a media outlet. What I call **Platform Convergence**.

The same content could be a feature in the press as a news report/feature, a viral video on YouTube, a podcast on an app or an infographic on a Twitter feed. What I call a **Content Convergence**.

The three have come together to form a new whole called "Consumption Convergence".

What can be done to leverage consumption convergence? Numerous 'source of information' surveys that I have conducted (over 100+ over the last decade) point to the fact that, friends & family come first, trusted experts come second, closely followed by information sourced directly from the company and then come, third party media platforms. 'Authentic', 'Relevant' and 'Engaging' are the words that have often described the kind of content that would generate interest enough to consume and share with others.

Public Relations professionals would need to think 'Consumption Convergence'! Was the content created actually read, viewed? For how long? Which part? By whom? From Where? And so on. Would the metric be only page views, number of followers, and so forth? No. Content creators would need to create content that will need to stand the test of Consumption Convergence and use different metrics to measure success. i.e. engagement! Go beyond views.

If you are not already thinking **Consumption Convergence**, you stand a good chance of being missed altogether.

I sincerely think that we are at the cusp of a shift and before the ground shifts from underneath our feet, we need to adapt. The Science of Reputation and it is already upon us.

Think it over.

###

About Ashwani

Ashwani Singla, Founding Managing Partner

His two decades of experience has seen him counsel and advise MNCs, Indian enterprises and the emerging Indian MNCs across a wide range of sectors. He has been a strategist for leading political parties in India and in the South-East Asia. He was the 'campaign strategist' for the BJP for the 2014 General Elections.



About Constellar

Constellar, the Astrum (<u>www.astrum.in</u>) blog is the new avatar of Ashwani's personal blog Reputare. While continuing to explore and prompt a dialogue on the subject of reputation in all spheres, Constellar has an expanded scope to guest contributors and thought leaders. As the headline suggests, we will endeavor to bring insights and new thinking in the development of professional reputation management in India.

