

## “Shed stealth and start communicating”

Written by Vandana Sharma

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**Bill Gates had once famously said, “If I was down to my last dollar, I’d spend it on public relations.” Rohit Gupta, co-founder and director, Pragma Communication, agrees and stresses the point that tech firms need to have a sound PR policy in place to succeed today.**

### **What are the communication needs of a tech firm? How important is public relations (PR) in addressing these needs?**

The technology landscape has changed over a period of time and has become extremely complex.

A few years ago, good technologies and good products could stand out on their own. But in the current scenario, communication can definitely serve as a competent marketing aid, targeted at keeping things simple, enabling information to be conveyed to interest groups at the right time, and helping differentiate products.

The need for communication is also driven by the business needs the firms may have from time to time. Lobbying or influencing industry bodies may be an active consideration for some who are involved in infrastructure related technologies, like 3G networking. Similarly, companies need to liaison with investors of all kinds. It is important that they keep these agencies posted on the well-being and future prospects of the company and also update them regularly on its returns. Communication plays a key role in establishing and nurturing this relationship.

The need for communication also arises because technology firms are bogged down by high attrition rates and employee churn. There exists an acute requirement for human resources. {quotes}PR can play a vital role in indirectly building employee loyalty and enhancing retention, as well as attracting potential employees towards the technology or the brand.{/quotes}

Recently, a business newspaper reported that owing to the recession, tech firms now have very small marketing budgets, and they prefer to spend it on PR rather than advertising. Could you comment on why this is so? However, FMCG companies like Wills Lifestyle, for instance, might prefer to spend on advertising. Why is the case different for a company in the tech space?

PR and advertising have their respective strengths and weaknesses. These are two parallel forms of communication and act most often as complimentary tools, having a common aim, which is strengthening the brand image and consequently, the net increase in revenue. Choosing between the two depends on what is being communicated and the desired effect that is being aimed at.

I do not believe that there is a difference, with respect to communication methods, between tech companies and FMCG (fast moving consumer goods) companies. The difference, as I see it, lies between the communicating entity and its communication needs at a specific moment.

Wills Lifestyle, for example, is part of the ITC Group and the communication needs for the two entities are different. For Wills Lifestyle, in the given market scenario (when the marketing spends are shrinking) it becomes imperative to maintain focus on communication that directly

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enables revenue. It would want its goods to move—the more it cycles its shelf-space, the higher will be the returns. Here the need for communication is targeted towards pushing sales. Thus, advertising fits the bill. It is a form of direct communication and allows companies to communicate on a pure marketing basis.

However, ITC as a group has a larger role to play. It needs to communicate not only the health of the group but also about group strategies, along with the measures adopted to tackle the downturn and strengthen their investors' morale. This can be best supported by a sustained PR plan. In the retail space, a similar mapping can be drawn between, say, Total Hypermarket and its parent company Jubilant Organosys, respectively. In the tech space, too, a similar mapping can be seen between, say, Compaq laptops and HP, the parent company.

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### **What are the key PR challenges that you have observed, especially in the case of tech firms?**

PR is about creating awareness and tuning perceptions in favour of a firm by using communication as a vehicle. It is challenging to communicate in a manner that the target audience can comprehend and form a connection with the firm or its products/services. The challenge is accentuated when the technology applies to a saturated market -- one that has stopped seeing the growth that it may have experienced a few years back.

### **How different are these challenges for tech start-ups?**

The challenge is totally different for a start-up company. Bigger and older companies that have been around for a while are aware of the need for a continuous PR programme to connect with their target audiences. However, some start-ups rely too much on word-of-mouth publicity or the personal connections of the founding members. The lack of a communications programme can cause a disconnection between the firm and its probable interest group(s), adversely affecting the growth or adoption prospects of the start-up.

A start-up typically doesn't have any image that it inherits. It usually starts with an empty canvas. It is very important that it paints the right picture for the target audience to see. It is simpler to build the correct image right in the beginning, rather than build a wrong perception and attempt to correct it later.

A start-up usually addresses a unique business or mass market need that is relatively easy to comprehend and represent. The challenge in this case is to project the start-up in the right light, establish its focus in the technology domain and build its credibility.

### **How can these challenges be dealt with in the case of big firms?**

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For a technology company operating in a saturated market, the opportunities are limited. Nonetheless, it's very important to tap them. Firms need to constantly monitor industry trends and play the role of a thought leader in the domain and communicate in order to reinforce their strength in the domain. Large companies have vast experience to share, often becoming good data points and creating an opportunity to be positioned as industry leaders.

### **Should the strategy be any different for start-ups?**

Start-ups, on the other hand, need to shed the stealth and start communicating. It's a myth that someone may steal an idea. Statistics show that only about 4 per cent of ideas get converted into real action and only about 1 per cent, eventually succeed. There is a lot that can be communicated to generate interest before a service or product is launched. Start-ups are known to go into stealth mode, giving the impression that nothing can be talked about the offering. However, this is the preliminary period that can be best utilised to ignite interest and gather initial feedback to fine-tune their offering, and hence, better the chances of success when the product is launched.

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