

INTRODUCTION

"It is safe..." "They will deliver..." "I believe them"

We often come across these simple words. Used in the context of people, companies or brands, they pack a lot of power in them. They relate to a measure of action, ability, performance, and expectations of the entity. When such entities exceed in each of these aspects, it builds admiration in the audience. The admiration when received repeatedly transforms into respect, and when respect is transmitted consistently, it builds Reputation. More than anything, Reputation is a consistency measure that builds slowly, brick after reputation brick.

There are three central characters necessary for building Reputationsender, transmitter and receiver. The three roles are segregated finely and have the following attributes: Sender (origination), Transmitter (amplification), Receiver (comprehension).



Naturally, since all these three attributes of origination, amplification and comprehension are necessary during different phases of the message life, the three play musical chairs with their roles. Depending on the circumstance, the sender take on the receiver's role, the receiver takes on the transmitter's role, and the transmitter, the senders.

In small communities, everyone knows everyone and one-on-one transmission is easy. Small audiences also provide for ease of source

"It is safe... They will deliver... I believe them..."

verification. However, our communities now span the globe and the inability to verify source veracity easily has increased the importance of the Transmitter. Transmitters are evaluated and classified on the basis of a combination of their message fidelity and depth of reach, just like any signal depends on signal strength and fidelity for effectiveness. This has made the role of the media as Transmitters more important than ever.

In this report we understand Reputation by classifying, measuring and understanding what the media Transmitters are saying about the company or brand, like were radio waves that can be tapped into for reception.

Reputation is defined as the transmitted feelings of respect, with the focus being on the effectiveness of the transmission. The reputation studies which focus on the audiences alone are limited in accuracy, since the real impact of reputation is only felt in its effective transmission. Therefore to understand what is leading to Reputation, it is important to measure what appears in media. Media, a key transmitter, is also a reflection of society, and influences society as much as it gets influenced by it. This influence exchange amplifies the sensitivity of the reputation impact by the media. However, the difficulty in studying and measuring Reputation through media is high due to the sheer size and scale required to compile and evaluate the appearances in media.

Though there are some reputation studies based on the media, they have been rudimentary at best. When we embarked on the concept of Reputation Benchmark Study we decided to launch it such that it could bring deep and new insights in understanding brand reputation.

The starting point of an extensive study is extensive data. And starting point for this was to track every article published on the auto sector for 6 months, as this is envisaged as a biennial study. We chose two major languages of print publications, Hindi and English and extracted over 75,000 articles covering 25,555,767 sq cm (25mn sq cm). This is the equivalent of 3150 full size broadsheet newspapers. If placed on each other, a newspaper pile made up of what we measured would be approximately 100 meters high!

The bluebytes technology we used to track each article understands all quantitative aspects, of the news how many times some brand appeared, how many cities was it published it in, which competition appeared with it, and much more. Anything quantifiable was measured.

After that we set to measure the qualitative aspects. We had to track messages and attributes which contributed to the reputation. Was it the top-management (and therefore leadership)?, Was it a new product (and therefore novelty)? Or, was it due to the presence of corporate stories of the brand? Was the tonality of the article positive, adverse or mixed There were a total of 30 different variables measured for 200+ brands and companies put together. It took us 11,000 man-hours to qualify the articles.

Since the messages of the organizations are pre-vetted by the media, itself a credible source, the value of these messages in Reputation is conclusive.

bluebytes has been at the forefront of monitoring and analyzing media content providing insights to India's Fortune 300. It daily tracks 2000+ newspapers, magazines, and online newsites, and monitors 1800 companies and brands across 30 sectors in India. Consequently its growing database of news articles has made it one of the largest news archives in India.

Our experience & also technology in this was unmatched. The bluebytes Reputation Benchmark analyzes the attributes that leads to building Reputation, through various reputation markers. The Reputation Benchmark analyzes 7 reputation



markers on which 30 preset and conditional variables are measured. A Reputation Benchmark formula, (tested for 2 years for sensitivity and accuracy), helps calculate a Reputation score for each brand, company, person and attribute. It is this score that we use for all our comparisons in this study.

The bluebytes Reputation Benchmark for Auto sector (Car) evaluates 20 car manufacturers and their 190+ brands . The automobile sector is a leading

The bluebytes Reputation Benchmark will give brands a comparative with other brands, and also themselves over time.

indicator of the economy, therefore its automatic importance and significance. In India, the sector has seen unprecedented growth in the recent years and has also witnessed the influx of international companies and their brands. India is the 7th largest manufacturer of automobiles in the world and the worlds 2nd fastest growing market. It is estimated that by year 2050, India will top the world in car volumes. While the homegrown car companies are holding fort, the foreign origin car companies are building their base as well.

Reputation is not a 100-meter dash, and more like an ongoing marathon and reputation veterans know the marathon to be an unending one. Just like in a marathon one needs a right balance of stamina and mental toughness, so too is the case in Reputation. Organizations need to channelize their communication energies with intensity. Though reputation is an absolute, this benchmark shows comparatives and therefore even small shifts become visible. In this race, some will opt out or fallout, but those who keep at it, will be able to keep a steady pace to emerge ahead. The bluebytes Reputation Benchmark will be able to give brands not only a comparative with other brands, but also with themselves over time.

Since Reputation has been a subject matter of deep interest and significance, it's measurement is expected to generate differing view points. Our study has followed a systematic approach in decoding Reputation so as to lend it to measurement systematically & scientifically.

Naturally, this is only a small step in a long journey. Suggestions to improve and evolve this further are welcome. This report is dedicated to the communicators, the unsung heroes of the corporate world. They relentlessly pursue the onerous task of build their company's reputation, fighting battles as infantrymen do, with the bayonet.

It is a great pleasure to bring you this report on Reputation Benchmark Study for the Auto (Car) Sector. When I saw the results, I was amazed at its ability to help do a deep dive into these brands. This has encouraged us to take up a few more sectors, the reports of which should be available in the next few months.

For any feedback and suggestions do write to me on piyush@bluebytes.info

Sincerely,

Piyush Jain Business Head bluebytes

CHAPTER

REPUTATION TOPOGRAPHY



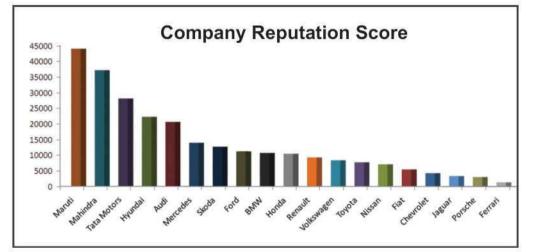
The Reputation Benchmark Study is a map that gives the Reputation Topography among cars. The study of the Auto sector, with a focused view on cars is the basis of this Reputation Benchmark Study. It comes at an interesting time when the new car companies jostle with the well established ones for marketshare and audience mind-space. India, one of the fastest growing car markets in the world, makes for a very interesting study, where the world's cheapest car rubs shoulder with the most expensive one on the road. With growing incomes and increasingly people seeking a better quality of life, the auto sector in India is poised for a sharp growth. Companies will do well to concentrate on communicating their ability, action, performance and expectations, the key drivers of Reputation, to be able to maximise returns from the market and ride the boom. Reputation is the result of continuous effort in the right direction, and it yields long-term benefits. While all car manufacturers

strive to bring out unique car models, differential offerings blur for the consumer. What stands most prominent in the final decision making can be summed-up to rest on reputation of the car manufacturer and the brand.

The Reputation Benchmark Study is a map that shows the Reputation Topography of the car segment. This study tries to understand the Reputation drivers of the companies giving them an indication of their standing on Reputation, and efforts that may be needed to maintain, improve or alter it.

Reputation Ranks for Auto (Car) Sector

Among car companies, the leader in auto car sales in India, Maruti Suzuki, is also ranked first in Reputation. Mahindra & Mahindra (Automotive), , is not far behind and is ranked a close second, and the Reputation Scores



difference between these two companies though not substantial, is a significant 19%, showing the Reputation lead that Maruti Suzuki commands. Ranked third on the Reputation scale is another home grown car manufacturer, Tata Motors. The difference in Reputation Scores between the second ranked and third ranked is at a high 32%. It may be more than a coincidence that the top three in Reputation currently have or have had Indian origins (actually very few in India would think of Maruti Suzuki as a foreign company even now).

The Korean car manufacturer, Hyundai Motors, a company which has understood India's cultural kaleidoscope well, stands at fourth place, behind the third by 26%. At fifth and sixth rank come the German luxury car manufacturers, Audi and Mercedes respectively. Audi has a clear lead of 48% over its rival Mercedes. More significant is that it is not very far behind Hyundai where it lags behind the third ranked by only ^{8%.}

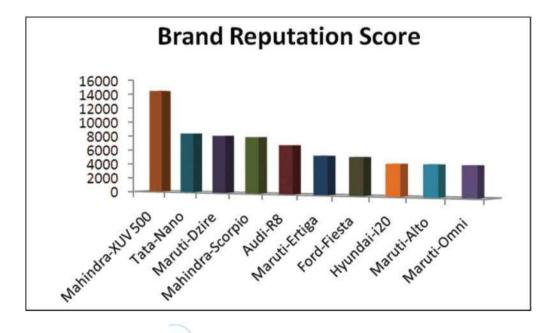
Czech car manufacturer Skoda, ranked seventh follows Mercedes with a smaller Reputation gap of 10%. The eight, ninth and tenth ranks belongs to Ford, BMW and Honda, with the last two having a gap of 2% on Reputation Score.

After this, a long tail of remaining car manufacturers follows from eleventh to nineteenth positions. Their rank order is as follows: Renault, Volkswagen, Toyota, Nissan, Fiat, Chevrolet, Jaguar, Porsche and Ferrari.

Audi surprises all as India's top reputed Luxury car manufacturer, ahead of Mercedes (6th), Skoda (7th) and BMW (9th). Is India the battlefield where Audi is getting ready for the big fight? The Reputation ranks of the other three luxury car manufacturers stand at the three last positions among the nineteen, Jaguar at 17th, Porsche at 18th and Ferrari at 19th.

The Reputation of the company provides an umbrella to shield its brands, the interaction of the consumer with the brand is a very close association, therefore for studying the auto car sector, it is also important to study the brands individually. The bluebytes Reputation Benchmark study has ranked the brands on the basis of overall Reputation score as well individual segments the car belongs to.

In terms of car brand reputation ranking, the first place goes to the latest blockbuster from the Mahindra & Mahindra stable - XUV 500. Tata Nano ranks as the second most Reputed car brand in India, though XUV 500 has a whooping lead of 74% over it. Maruti Suzuki Dzire, is India's third most Reputed car (which incidentally was also India's Most Trusted Car brand in a recent study). The fourth slot is again taken by Mahindra & Mahindra Scorpio. The difference between the Reputation scores of those ranked 2nd, 3rd and 4th is almost negligible, leaving the



REPUTATION LIVE

Puneet Dhavan Head Corporate Communications Maruti Suzuki Ltd.

Apart from being India's biggest car manufacturer, Maruti Suzuki is among the most reputed brands in India. Among car brands, our brand emerged the 4th most reputed in the world, and several milestones have helped us reach here, including having sold our 10th million vehicle in February 2012.

In today's world where products and technology are only millimeters apart across competitors, a consumer makes her selection severally on the basis of image and reputation. Reputation and image is driven by what others say about you, and this third party endorsement is one of the strongest influencer of consumer decision making.

At Maruti Suzuki we continuously work towards enhancing our image and reputation in a multi-dimensional manner. Be it consumer experience of owning and using our cars or the information sharing about Maruti Suzuki through media, or even our relationships with our business partners, we consciously nurture our reputation.

next years' Reputation ranks to anyone's guess. Audi's occupies 5th rank among brands (and even among cars as well) with its brand R8.

At the sixth position is another new launch from Maruti Suzuki- Ertiga, and quick on its heels is the well established Ford Fiesta. Ertiga and Fiesta though in the market at different time spans, are separated by just 3% in terms of Reputation Score. Hyundai's i20 is the 8th Most Reputed Car brand, followed by Alto and Omni at ninth and tenth positions respectively, the latter only separated by a few percentage points in terms of Reputation Score.

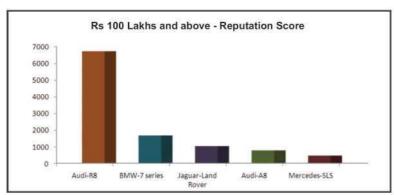
Of the top ten most reputed car brands in India, a few brands

are launched in the span of the last six months. These brands have been able to quickly build on their reputation and this will help in gaining stature for these brands for future as well (if they consistently maintain their communication).

Another way to study the car brands would be by

comparing Reputation Scores of brands in different price segments. While the overall brand ranking is significant, the ranking based on price range gives a clearer picture of the segment in which these are competing.

For the purpose of this study, the car market on the basis of prices are segmented in 7 categories. In the super luxury category, price Rs. 100 lakh and above. There are 13 brands which figure in this study. The German cars dominate this category



where 4 out of top 5 brands are from Germany.

4500

2000 1500 1000

500

Audi-03

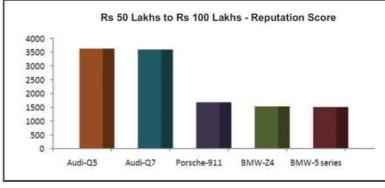
In the Rupees Twenty Five Lakh to Rupees Fifty Lakh category, 24 brands were evaluated. The top three slots are again bagged by Audi with Q3, A6

Rs 25 Lakhs to Rs 50 Lakhs - Reputation Score

The most reputed brand in the super luxury category is Audi's R8. lts leads over the second ranked German rival BMW-7 series is a phenomenal 305%. The third and fourth Reputation ranks

are with Jaguar Land Rover and Audi A8. The fifth most reputed car in this price range is taken Mercedes S8.

The Rupees Fifty Lakh to Rupees One



Crore category is again dominated by the European car manufacturers the most reputed among which is Audi-Q5. This is followed closely by Q7, one

more from the Audi stable. Next comes Porsche which is 911 behind the number two by 114%. The number four and five most reputed brands in this category are

BMW Z4 series and 5 Series. A total of 25 brands feature in this category.

brands ranked according to their reputation. The top five among that are shown here.

This American car manufacturer Ford's Endeavor makes it to the most reputed brand in this price category. Just following it is Skoda's SUV, Yeti



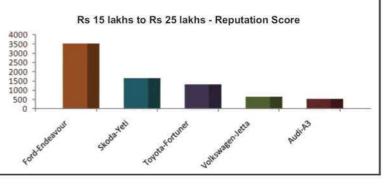
The iconic Mini of BMW which was

launched recently in different variants finds a place as the fifth most reputed brand in this price segment.

The above segments are normally considered as the luxury and super luxury segment. The third most reputed company Audi derives its reputation strength from these categories. In this it is leads its nearest ranked

company BWW more than 200%.

The Rupees Fifteen Lakh to Rupees Twenty Five Lakh category too has 25





REPUTATION LIV

Ameer Shahul Corporate Communication Head Nissan Motors India Pvt. Ltd.

NISSAN

Reputation is paramount to Nissan and we strive every moment to build on our reputation and take it to the next level. Each action we take, every activity we undertake is done with this paramount principle in mind.

Perception creates reputation. Quality of our products and services, high business integrity, trustworthiness, equity, and fairness are factors that we imbibe in our every deed to keep our reputation high.

We proactively communicate with our stakeholders through various media, maintain high corporate responsibility and have stringent corporate governance to help us keep focus on our reputation path. Innovative and exciting products and motivating leadership also play a key role in furthering our reputation goals.

Good reputation leads to very high standing in the market place, and adds to brand value. It helps consumers make choices from different product offerings, thereby generating higher revenue and higher returns. It leads to better value for shareholders, consumers and the society at large.

Brand reputation is something corporates build very carefully and over a long period of time. Nissan is a company with a long history and deep heritage. As a global company with global reputation and identity, it encompasses an amalgamation of many strong aspects like Japanese technology, European marketing skills, Western style and sophistication. You can see all these attributes in Nissan cars. Anyone who uses a Nissan car thinks global, thanks to the painstaking efforts we have taken to build Nissan as global company of repute.

followed closely by Toyota's SUV Fortuner. These are followed by Jetta

16000 14000

12000

8000

6000 4000

2000

followed

Scorpio.

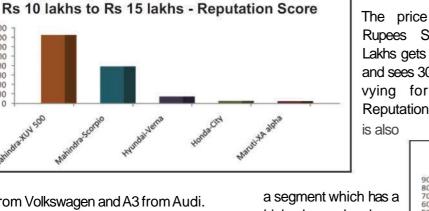
entry in this space with its war-horse City followed by Maruti Suzuki with its

brand XAAlpha.

The price range of Rupees Six to Ten Lakhs gets crow-ded and sees 30 car brands vying for the top Reputation ranks. This The second place also belongs to another brand from Maruti, the newly launched Ertiga. At position three comes Ford Fiesta followed by Hyundai i 10 and Mahindra Xylo.

The below Rupees Six Lakh category also has a mix of entry level cars, mostly hatchbacks. This also has largest number of brands, thirty five being evaluated in the study.

Sub 6 lac - Reputation Score



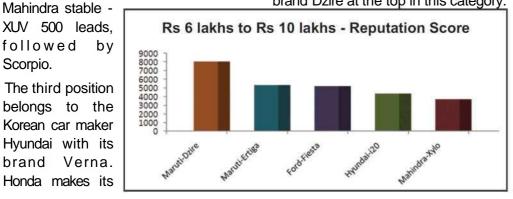
from Volkswagen and A3 from Audi.

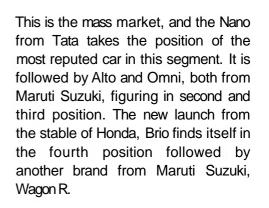
In the Rupees Ten to Fifteen Lakh price range, the Most Reputed brand is Mahindra XUV 500. This is the segment where the car volumes begin to increase and nineteen brands figure in this category. The two most reputed brands are both from the Mahindra &

high demand volume and the environment is also extremely

Maruti, the most reputed

brand Dzire at the top in this category.



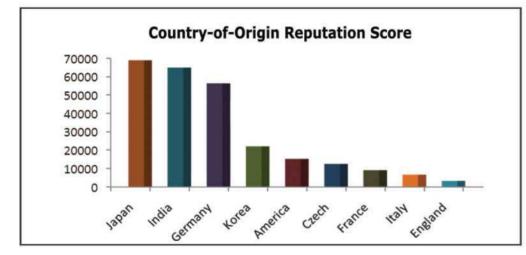




competitive.

car manufacturer has its the fourth position followed by another brand from Maruti Suzuki, Wagon R.

Reputation as we know is not static and therefore a continuous effort is needed to keep building it. The fruits of building reputation may not be visible immediately but those who sustain, can surely reap the reward for time to come. In case of its effect is the combination of several contributors. One such is based on the Country of Origin of the car manufacturer. World over Japanese car companies dominate the car market and they have built up a formidable reputation for themselves. In India it is no different. In terms of country of origin Japan has the highest Reputation. It is closely followed by



companies, which has multiple brands to communicate, at times they chose to concentrate on specific brands. Such changes in communication leads to changes in ranking in reputation as well, which makes it more interesting as a study for comparison on a periodical basis.

The Reputation Benchmark study also shows the interplay of reputation being built within price segments. Maruti Suzuki the Most reputed company overall is the leader in the segment of mass market, while Mahindra and Mahindra the second most reputed car manufacturer is the leader in the mid-market segment. Tata Motors, the third most reputed ranked car manufacturer drives its reputation in the entry level segment. Audi, the German car manufacturer and at number five in most reputed car company completely dominates the luxury segment in India.

Since reputation is a set of beliefs which need to accrue over time,

India, as the second most Reputed country of origin, with only a 6% gap between Japan and India. This becomes noteworthy since there are four Japanese car companies operating in India as compared to two of Indian origin.

The third place belongs to Germany which is 15% behind companies of Indian origin inspite of having five, the

largest number of car companies from a single origin of country. Korea makes the next entry, quite commendably so since it has only one car company from it. The Americans lead the Czech but fall behind at fifth place. This is followed by France, Italy and England.

Zonewise Reputation of Car manufacturers

India is larger than many continents and the specific cultural markers of each zone are extremely different from the other. It would be natural to expect that the Reputation Scores (and therefore preferences) also vary considerably between the different zones of India.

The below graph shows the Reputation scores of the various car manufacturers in the four zones of India. It is useful when viewed vertically as the reputation of each car company in respective zones can be analyzed.

Attached herewith are four selfexplanatory graphs that rank the car manufacturers on Reputation Scores for each zone.



REPUTATION LIVE 🖳

Manas Dewan General Manager-Strategic Planning and Corporate Communications Mercedes-Benz India. Mercedes-Benz

The history of the automobile is closely linked with the history of the Mercedes brand when Gottlieb Daimler and Carl Benz invented the automobile back in 1886. Ever since, the Three-Pointed Star is known for its uncompromising standards of quality, safety and technology. Over 80% of all patents in the automotive domain come from the Daimler stable; our fascinating design language and high performance engines make us one of the most exciting automotive brands.

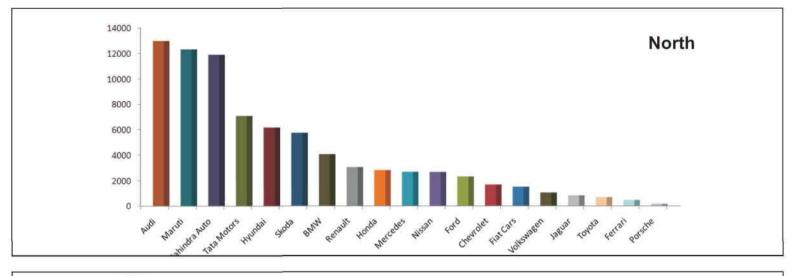
It is the strong reputation of brand Mercedes that powers the very high equity of our brand in the marketplace.

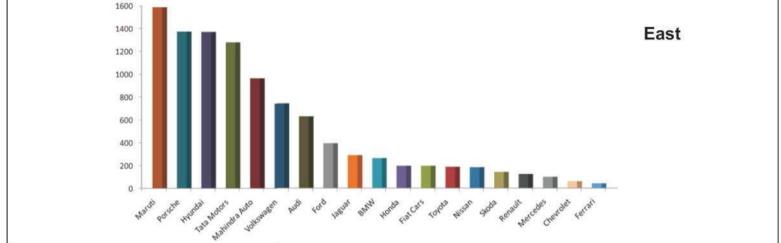
India is a young country and Indians are increasingly becoming global citizens. They earn global salaries, lead global lifestyles and the car they drive is also a reflection of the quality of life that they lead. It is from their perspective that the badge in your garage reflects your self esteem, aspi rations and social standing today - more than ever before.

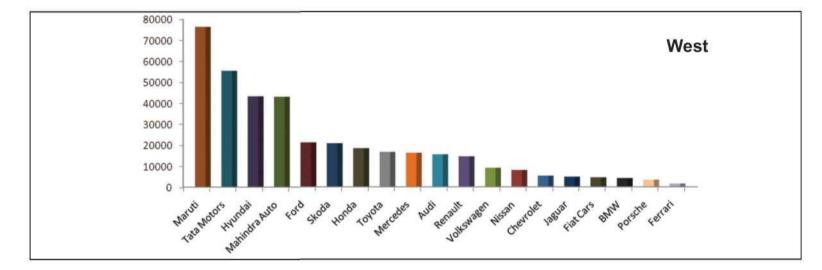
A good reputation of a brand indicates that the brand promise, ownership expectations and the brand engagement experience compliment each other.

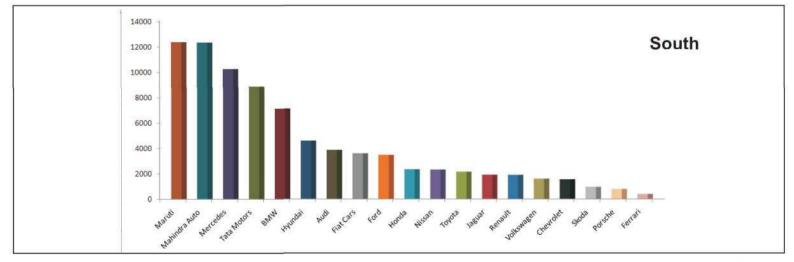
We live in a networked world today were customer experience and brand engagements are accessed in real time by the community, thanks to the internet and new media. As such the equity enjoyed by a brand and its reputation in the marketplace hinges upon converting customers into brand ambassadors and loyalists.

Reputation Topography- Zone wise









CHAPTER

REPUTATION BENCHMARK STUDY METHODOLOGY

Reputation naturally needs to be understood before measuring it. At bluebytes, attempting to understand it has been a journey of six years since the time that we began capturing news data on organizations and brands

There have been approaches to reputation based on recall, audience perception, or qualitatively - on how brands have reacted to opportunities or crises. Unfortunately, the term's overuse in communications has turned it into a cliché, leaving it empty of its original forceful meaning.

Reputation results from communications. More specifically, reputation is a result of effective transmission of communication.

One contribution to Reputation is action. Action that has repeatedly demonstrated positive outcomes and



results, derived through consistent action and unfailing effort. The second contribution to Reputation is ability. It is the ability to complete a particular task with abnormally spectacular results consistently. Another contribution to Reputation is performance, the type of performance that shows high quality of results, and the improvement in each subsequent act. And also a contribution to Reputation is exceeding expectations of the audiences and fulfilling evolving and increasing needs of the audiences.

However, these aspects together too do not lead to Reputation automatically. Only when these aspects get communicated to secondary audiences (those who the brand has not interacted with before) get influenced by these aspects does it lead to Reputation. Reputation leads to respect and admiration by the audience - aspiration qualities that the audience itself tries to emulate.

Reputation can therefore be defined as the effectiveness of a transmitted belief of respect about anything, be it a person, product, service, brand or organization. This transmitted belief has an inherent power (like a wireless signal), and the distance of transmission depends on the strength of the reputation signal. Respect, a reflective attitude or feeling, is expressed from the subject to the object that demonstrates the subject's appropriate regard of value for the object, its circumstance, its reaction or intent. Reputation is among the most difficult achievements, because the transmitters of others' respect stake their own reputation on the line in the act of transmission.

In our information hungry society, the most important reputation transmitters are the media. This is because when the media stakes its own reputation on the news it carries, it is duty-bound to scrutinize the news for balance and veracity.

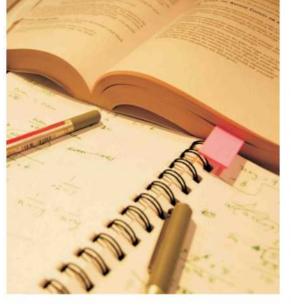
The media expansion into all types of mediums (print has expanded into television, television into internet) has further reinforced their importance. Print media has a very strong impact on audiences, probably because of its habit-forming and tactile nature. And, print publications, being the leaders in the media world, they themselves are highly respected, and can easily be the proxy for the entire media world.

We have used the print media articles as the lead indicator of reputation in this study for their triple role as news transmitters, auditors, and carriers. We chose the Auto (Car) Sector due its high impact on the economy and high influence on the individual. Once that was done, nineteen car manufactures were chosen for this study and all the print and online news generated by these nineteen was tracked across 9 cities in India.

A total of more than 75,000 articles related to the different car brands were captured in the period between 1 st October 2011 and 15th March 2012. The total ink captured was 25.555.767 sq. cm. (25 million square centimeters!) . Just to give an idea of the magnitude, if the all the content we tracked were converted into newspapers, and stacked one on top of the other, they would be the same height as a 10 stories high building! Unlike what we imagined, the initial part of the compilation exercise was more of software coding, and mining quantitative information from the humungous data. After this, 7 bluebytes researchers qualified each article on 30 parameters. Just these two exercises took more than 11,000 man-hours to complete.

The method used to 'mark' these articles was by distributing the content randomly among different researchers to eliminate bias and maintain confidentiality. To maintain consistency, an independent team validated each marking. Every news passed through quality control with a special evaluation team on data deviations. For other news items where there was difficulty in deciphering the news, senior researchers with auto research experience were involved to evaluate the news.

A pilot with 1500 articles was initially conducted before determining the final methodology for the Reputation Benchmark Study. In order to keep balance among the brands, aspects which could bias the study were eliminated. Stock market related news were not considered in this evaluation as it would bias the study towards the listed companies. However, financial news of the companies were considered in the study. The study also showed the



difficulty in evaluating news of different languages due the difficulty of local-language talent availability. So even though we captured news in all languages, we only evaluated English and Hindi news, which turned out to be a majority of the news anyways. The regional language contribution to the news was a little less than 15000 articles, and on their elimination from our study set, we arrived at 75,000 articles to be evaluated.

Measuring Reputation Benchmark

Unlike the measurement of financial data where the numbers are considerably straight forward, intangibles such as Reputation have to be measured by measuring the factors that contribute to them. The bluebytes Reputation Benchmark has considered variety of such contributory factors on the basis of which Reputation Score is derived.

The formula for the bluebytes Reputation Benchmark is based on several criteria, a few important ones are explained here. These were, brand tonality measured on a four point scale (Adverse, Mixed, Impartial, Favourable), with a negative index and a heavier weightage for adverse articles (due to their higher retentivity). Top management presence in relevance to the reputation related messages being delivered by the management. The visibility of the brand also contributed, based on whether the brand name appeared in the headline, or its picture/logo/product along side the article. Non-brand based visibility

factors like size, page of appearance, position of appearance were also considered. And one other important criteria was the importance and the reach of the media Reach.

The formula for the Reputation Score has been worked using the variables,

Quantum, Q - a number derived based on the size, reach and frequency of the news

Media coefficient, M - A bluebytes ranking of the various publications based on audience type, advertising rates and media genre.

Prominence, P - which implies the degree of prominence the company or brand enjoyed within the news.

Tonality, T - this provides the news sentiment

Enhancers, E - this gives additional importance of the news

Q= Frequency of the news x Size of the news measured in square centimeters x Circulation of the publication

Reputation Score = QxMxTxE

This was calculated for each news article and for each brand within that news article. Total brand and company Reputation Scores were a result of the addition of all such individual article scores. City and zone totals were also arrived at using similar means.

The cities in India which were part of this study were:

North: Delhi and Chandigarh

West: Mumbai, Pune and Ahmedabad

East: Kolkata

South: Chennai, Bangalore and Hyderabad

Improvement and measurement are two sides of the same coin. The bluebytes Reputation Index is a way to scientific method for measuring reputation by studying the brand's reputation transmission signals in the media. Once this is known, reputation improvement is by application of right action towards the right end.