

Corporate Brands and the Software Sector by Sundar Sankaran* (Published January 31, 2002)

A brand is not a name. It is an experience. It is the *entire range of emotions and expectations that are generated when the name is mentioned or logo seen.*

For instance, in the Indian scenario it is difficult to think of a private corporate brand that inspires more trust than '**Tata**'. The positive experiences associated with the name are so strong, that neither the Tata Finance episode nor the TELCO performance dented it.

Let us look at the other big name in the Indian corporate sector, **Reliance**. The name carries with it an image of "thinking big" and a certain aggressiveness of approach. It also carries with it a connotation of democratization of shareholding and sharing wealth through the capital market.

Corporate brands earn their reputations not through any advertising and PR exercises. Yes, these exercises help. But it is largely through *actions of the corporates, communication of their values and beliefs, and consistency between the values, beliefs and actions over a long period of time* that corporate brand images get created in the minds of various stakeholders viz. customers, shareholders, partners, employees, suppliers, regulators and the public at large.

In recent times, an organization that has led by example is **Infosys**. Perhaps among Indian companies, the corporate brand value of Infosys is the highest. This has been attained not only through excellent delivery in its core offering but also through thought leadership on various business, non-business and ethical areas. *The consistency of its actions with its byline "powered by intellect, driven by values" is unquestionable.* Mr. Narayanmurthy's image as a role model goes without saying.

Corporate brands take longer to establish than product brands, and get lost much faster. Internationally, two of the leading corporate brands are **Coca-Cola** (which is also a product brand) and **Microsoft**. The experience of Coca-Cola in the late nineties with respect to the contamination of cans supplied by one of its factories is an indication of *how swiftly loss of brand image can impact sales and market capitalisation.*

More the touch-points between the corporate and its stakeholders, greater is the opportunity to reinforce the corporate branding. To this extent, corporates selling products – and at the retail end – are at an advantage. They also face a greater risk, because *a single action or inaction can negate an image carefully cultivated over generations.*

Financial services organizations create their corporate branding at the retail end through demonstrable and differentiated service levels. At the wholesale-end, the periodicals and reports (intellect) and post-transaction tombstones (action) come in handy. The internet has of course made it easier and cheaper to ensure the same communication level at the retail-end, that was earlier reserved for the wholesale-end.

The *consulting* business represents a challenge. Service is rendered to a constituency that represents a fraction of the entire stakeholder population; and confidentiality issues govern the parameters for communication to the stakeholders at large. No wonder that consulting organizations sponsor a whole range of activities from seminars to golf! And the consultants themselves write books, contribute articles to publications etc. Here again, the internet has helped in cheaper building of corporate identity.

The *software sector* comes somewhere between financial services and consulting in terms of challenge. It has fewer touch points than the financial services sector, but has fewer issues than consultants on the subject of communication with stakeholders. Surprisingly, few software services companies have tried to replicate the financial services and consulting model of building branding and recall through inexpensive approaches like an e-newsletter.

Mindtree is perhaps a good example of corporate branding well started. Wide initial publicity about how the whole thing came about, especially the interactions between Mr. Ashok Soota and Mr. Subroto Bagchi, helped in establishing a corporate wavelength. The grace with which Mr. Soota left Wipro won respect. The spastic touch to the logo design touched many hearts. And they have delivered. It is one of those rare cases of an organization being upfront about its business model and then demonstrating performance. (There are too many others who talk of successful business models post-facto, conveniently glossing over interim failures).

Unlike Mindtree, which had the benefit of a clean slate, **Wipro** started with a branding that was associated with its other products like sunflower oil for instance. Its logo continues to be the "sunflower" – but with a dash of colour. The byline is now "*applying thought*" – an attempt to change its positioning in the minds of stake holders.

TCS benefits from its parentage. It also is able to capitalize on its position as being the biggest in its business. Wider shareholding and the incidental increase in regularity of communications and analysis by experts should help TCS create distinct corporate brand equity.

Some software majors have either not bothered to nurture their corporate brand, or destroyed it through their actions or ineffective communication. The impact of such an approach is evident in their valuation in the financial markets. *It is not a question of whether companies can afford to have a corporate brand, but whether they can afford not to.* ISO 9000, SEI-CMM etc. are good testimonials. *Only the corporate brand can differentiate a company from its peers.*

When the brand is related to a product category where there is international comfort with the country, it becomes easier for *corporate brands to transcend national boundaries.* It is in this happy scenario that Indian software and IT enabled services companies find themselves.

Let us draw lessons from the *international tourism industry.* Every country has a role in ensuring stability and infrastructure, so that tourists find a visit to the country worth their while. Hotels and tour operators then have to market their respective corporate and product brands to attract customers who are already sold on the country.

The software sector is no different. Organizations like NASSCOM have a role in *protecting and projecting the country context.* Indian software companies need to *grow their corporate brands to leverage on this positioning.*

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