



How can PR help you enter and succeed in Croatia?

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Introduction

- ◆ Role of PR in today's increasingly competitive world
- ◆ Overview of the transition that PR is undergoing today – from straightforward public relations to corporate reputation management
- ◆ Focus on the communications challenges that foreign companies face when entering new markets
- ◆ Specificities of Croatian market and media scene
- ◆ Advices to overcome the differences and language barriers
- ◆ About us
- ◆ Case studies

Role of PR

Transition From PR To Corporate

Communications

“Increasingly, companies are being judged on *reputation, knowledge and potential*, rather than their tangible assets such as plants and equipment. This is why some companies have a higher market capitalisation than others. Taken together, these tangible assets create what is known as company’s Intellectual Capital. In contrast to plants and equipment, these assets do not appear on the balance sheet and must be *effectively communicated* in order to be properly valued.”

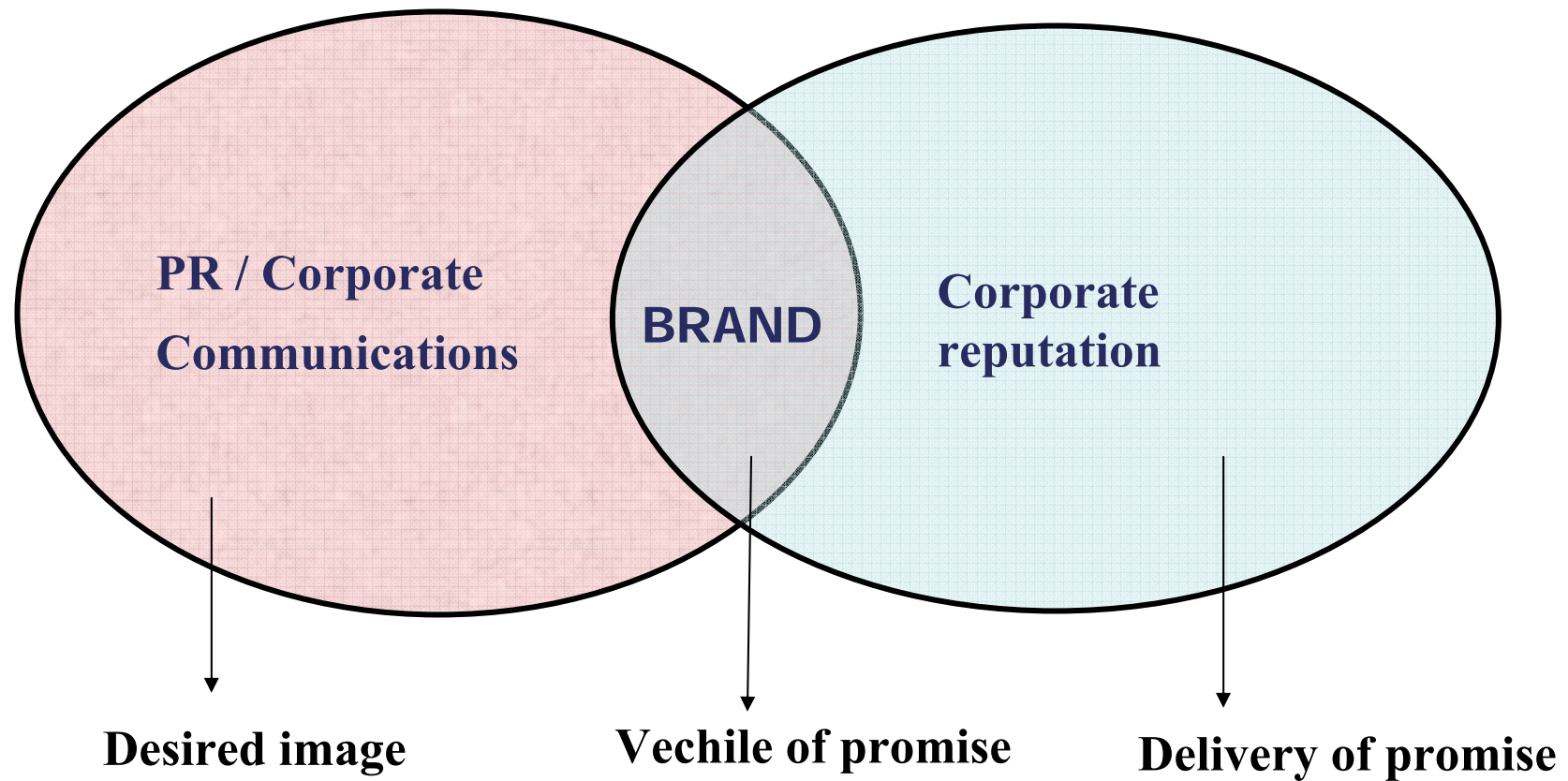
“A *corporate reputation* embodies the general estimation in which a company is held by employees, customers, suppliers, distributors, competitors, and the public. The key point, of course, is that reputation consists of *perceptions* — how others see you.”

Charles Fombrun

“*Brand* is personality; *reputation* is character. Brand is something you build; reputation is something you earn. Brand is a promise; reputation is the result of keeping that promise.”

Paul Holmes

PR & Reputation



PR & Reputation

World of confusing terms

- ◆ **Public relations: a discipline in transition**
- ◆ **Public affairs and lobbying**
- ◆ **Corporate affairs**
- ◆ **Corporate communications**
- ◆ **Reputation management**

“Traditional” PR

- ◆ Less strategic
- ◆ Non-integrated
- ◆ Focus: short-term
- ◆ Key people involved
- ◆ Aims to give the best possible image
- ◆ Media relations focused
- ◆ Focus on transactional stakeholders

Corporate Communications / Reputation Management

- ◆ Strategic in nature
- ◆ Integrated
- ◆ Holistic: long-term
- ◆ Involves all employees
- ◆ Aims to deliver an image and brand promise
- ◆ Uses all forms and opportunities to communicate policy and values
- ◆ Greater emphasis on multiple stakeholder relationships



1980, 1990, 2000, 2010

The Role of Corporate Communications

- ◆ Try to create, change or reinforce public opinion by reaching, persuading and moving-to-action the very people whose behaviours affect your organisation
- ◆ Adds value to a company by helping it better employ people, provide a return to shareholders and deliver product / service value to customers
- ◆ Build and protect *corporate reputation*, which is essential for success in today's highly competitive business world

Corporate Reputation

- ◆ Proactively building a strong corporate reputation adds value to an organisation including:
 - ◆ enhanced financial performance
 - ◆ increased customer interest
 - ◆ the benefit of the doubt in times of crisis
 - ◆ **easier entry into new markets and/or introduction of new products**

New Market Entry

Can Global Reputation Help?

The Reputation Institute: Global RepTrak Pulse 2007

Top 10 global companies

- | | | | |
|----|------------------------|-----|-----------------------------|
| 1. | Lego (Danska) | 6. | Toyota Motor (Japan) |
| 2. | IKEA (Švedska) | 7. | Ferrero (Italija) |
| 3. | Barilla (Italija) | 8. | Petrobras (Brazil) |
| 4. | Mercadona (Španjolska) | 9. | Sberbank of Russia (Russia) |
| 5. | AP Moller (Danska) | 10. | Rockwool (Danska) |

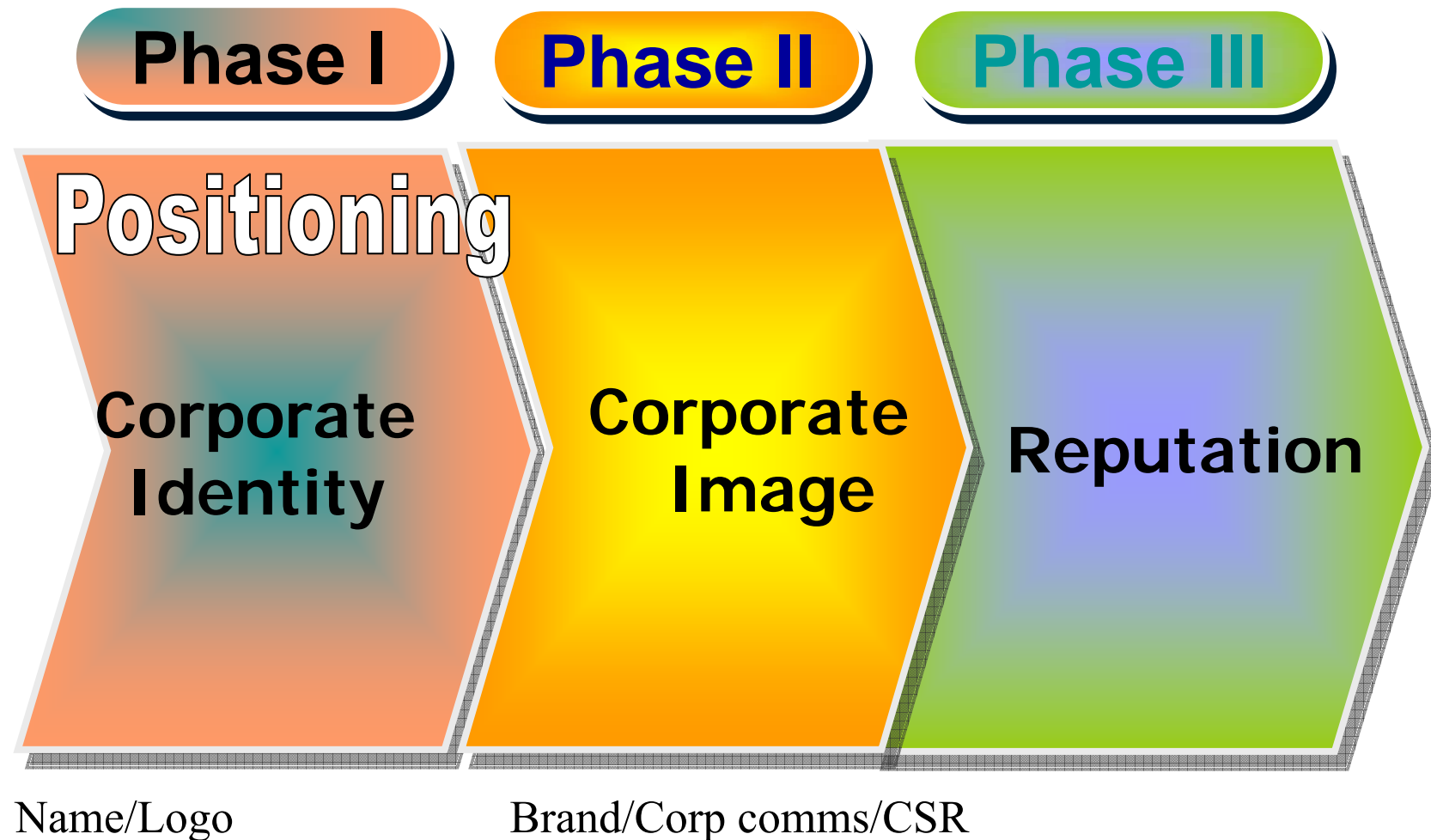
The Reputation Institute: Croatian research 2006

- ◆ Podravka
- ◆ Pliva
- ◆ Vindija

Communications Challenges

- ◆ Cultural differences
- ◆ Language barriers
- ◆ Perception challenge
 - ◆ People act on their perception of the facts
 - ◆ Those perceptions lead to certain behaviours
 - ◆ Something can be done about those perceptions and behaviours that leads to achieving the organisation's objectives

Foreign Companies & Reputation



How To Develop A Reputation?

- ◆ Understand the market
- ◆ Intelligence gathering
- ◆ Clear strategies and resources
- ◆ Quality of products and services
- ◆ Passion for brand
- ◆ Strong corporate governance and compliance
- ◆ Integrated risk and issue management
- ◆ Organisational culture and structure
- ◆ Contract fulfilment
- ◆ Strong brand values and strategic communications
- ◆ CEO's reputation
- ◆ Investor relations and public affairs
- ◆ Developing media profile
- ◆ Community relations
- ◆ Corporate Social Responsibility (CSR)
- ◆ Stakeholder analysis, mapping and engagement
- ◆ Crisis planning

◆ Think global, act local

Developing corporate reputation



Croatian Specificities

Advices How To Overcome The Differences

Few facts - at a glance

	Area (km2)	Population	Citizen / km2
SEE			
Croatia	56.414	4.493.312	79,6
Slovenia	20.151	2.009.245	99,7
Serbia	88.361	10.150.265	114,9
Nordic			
Sweden	410.934	9.031.088	22,0
Norway	307.442	4.627.926	15,1
Finland	304.473	5.238.460	17,2
Denmark	42.394	5.468.120	129,0
Europe			
Germany	349.223	82.400.996	236,0
Austria	82.444	8.199.783	99,5
UK	241.590	60.776.238	251,6

Press Freedom Index

- ◆ Index compiled by Reporters Without Borders covers 169 nations:

Rank	Country
1	Iceland
-	Norway
3	Estonia
-	Slovakia
5	Belgium
-	Finland
-	Sweden
8	Denmark
-	Ireland
-	Portugal

16	Austria

20	Germany

Rank	Country
22	Slovenia

24	United Kingdom

34	Bosnia and Herzegovina

41	Croatia

48	United States of America

67	Serbia

168	North Korea
169	Eritrea

Circulation – a comparison of reach

Country	Publication	Circulation
Nordic		
Denmark	Mogenavisen Jyllands Posten	140.075
Norway	Aftenposten	248.500
Finland	Helsingin Sanomat	439.618
Sweden	Dagens Nyheter	345.000
SEE		
Croatia	Vecernji list	300.000
Slovenia	Delo	79.000
Serbia	Vecernje novosti	156.933

Peak days: Friday & Saturday against Sunday)

Advices How To Overcome Challenges

- ◆ Act local and present a senior Croatian face
 - ◆ If feasible, appoint a senior-level, Croatian language spokesperson who is capable of discussing local issues and trends in a detailed and meaningful way
 - ◆ This job should not fall to your marketing or communications manager but should be the responsibility of a credible decision-maker in the top management category

- ◆ Press information with a local angle
 - ◆ Research, financial results and service or product information used in your PR
 - ◆ Programme needs to have Croatia-specific references and direct relevance to Croatia.
 - ◆ Don't just rely on global press releases to do the job

Advices How To Overcome Challenges

- ◆ Build media loyalty
 - ◆ Large companies occasionally take an arrogant approach to dealing with Croatian journalists – just because you are a Fortune 500 company that has entered a Croatian market, doesn't mean that you will automatically make front page of Vecernji list
 - ◆ Croatian journalists are spoiled for news and you are not the only company present on the market
 - ◆ The key to success is ongoing informal relationship building with your target media and clear and timely communication when it comes to hard news

Advices How To Overcome Challenges

- ◆ Be flexible
 - ◆ Croatian journalists are usually informal in their dress code, don't like early starts and have the habit of taking the "academic quarter" too seriously and quite often are 15 minutes late
 - ◆ So, don't worry if the journalists arrive to your press conference 15 minutes late and wearing a jeans – it doesn't mean they don't respect you or that they are not interested to hear your announcement
 - ◆ However, don't ever call a press conference at 8am – Croatian journalists will simply ignore it!

Advices How To Overcome Challenges

- ◆ To advertise or not to advertise
 - ◆ Some Croatian media are still heavily influenced by advertising and advertorial – this mechanism is extremely prevalent within the consumer, lifestyle and trade media. Business and technology media now operate on a professional basis
 - ◆ Businesses who use advertorial as an easy route to positive coverage can find themselves stuck with the reputation of a company who pays. This is a difficult reputation to reverse and strong reliance on advertorial will be costly and counterproductive for your business over time
 - ◆ Strategic communications & creative PR, creating and shaping news based on strength of content or creative approach, can work equally well in majority of Croatian media

About Mmd

Corporate overview

- ◆ Leading public affairs and corporate communications consultancy across Eurasia, Central and Eastern Europe and South East Europe, with 20 offices across 18 markets
- ◆ Member of Huntsworth Group Plc.
- ◆ We partner with leading global agencies both providing on-the-ground support for their clients in Eastern Europe, and supporting our client base with on-the-ground specialists in Washington DC, New York, London, Paris and Brussels
- ◆ **Best Global Public Relations Agency, International Business Awards 2007** – heralded by the New York Post as the Oscars of the business world



About Mmd

- ◆ Established in the UK in 1985 now operating through 18 fully-owned offices



- ◆ **Mmd** Austria
- ◆ **Mmd** Bosnia Herzegovina
- ◆ **Mmd** Bulgaria
- ◆ **Mmd** Croatia
- ◆ **Mmd** Czech Republic
- ◆ **Mmd** Estonia
- ◆ **Mmd** Hungary
- ◆ **Mmd** Latvia
- ◆ **Mmd** Lithuania
- ◆ **Mmd** Kazakhstan
- ◆ **Mmd** Poland
- ◆ **Mmd** Romania
- ◆ **Mmd** Russia
- ◆ **Mmd** Serbia
- ◆ **Mmd** Slovak Republic
- ◆ **Mmd** Slovenia
- ◆ **Mmd** Turkey
- ◆ **Mmd** Ukraine

Practice areas & industry groups

- ◆ We have three practice areas in our network:
 - ◆ Corporate & Public Affairs
 - ◆ Public Relations
 - ◆ Investor Relations Communications

- ◆ We specialise in the following five industry groups:
 - ◆ Energy and Industry
 - ◆ Banking and Finance
 - ◆ Healthcare and Pharmaceutical
 - ◆ Technology
 - ◆ Consumer

- ◆ Our client roster includes top Fortune 500 and multinational companies, many of which are long-standing Mmd clients, managed in a number of countries thanks to our pan-regional approach

A sample of Mmd's Corporate & PA experience



Services

- ◆ Advising at CEO, president and board-level, we build discrete teams of globally-renowned specialists to consult on:
 - ◆ Headline corporate developments (inc. re-branding, re-structuring, development of new business streams, IPOs, M&A and litigation)
 - ◆ Major changes to political, regulatory, or industrial environment (inc. intelligence, stakeholder auditing, stakeholder dialogue and media relations)
 - ◆ Corporate reputation management (inc. CEO profiling, public affairs, media relations & corporate social responsibility)
 - ◆ Issues & crisis (inc. planning, training, tracking, positioning, management)

Pan-regional advantages

- ◆ For over 10 years, Mmd has delivered multi-country programmes to international investors in developing markets
- ◆ Over 60% of our client relationships are ‘multi-country’
- ◆ We link ‘on-the-ground’ country teams with central co-ordinating resources, to guarantee consistency of delivery but local implementation
- ◆ Flow of experience and best practice within multi-country teams ensures:
 - ◆ Seamless network – easier control; synergy and economy of resources
 - ◆ Delivery of regional strategic campaign while ensuring local market relevance

**“We especially value Mmd’s ability to
combine regional coordination
and local expert delivery.”**

*Philippe Vignon,
easyJet Commercial Manager CEE
(easyJet has retained Mmd in 11 markets since 2004)*

Engaging with the EU

- ◆ We have long-standing experience both in monitoring and interacting with the EU Institutions on behalf of our clients – building relations key decision makers, especially MEPs
- ◆ The PA Practice produces regular updates and bulletins on the latest regulatory developments underway and planned in the corridors of Brussels and Strasbourg
- ◆ We produce a quarterly bulletin on EU affairs from the Eastern angle –
Mmd's Eastern Observer features exclusive Q&A sessions with MEPs from the new Member States, stakeholder audits findings on EU issues of importance to our clients, as well as round-ups of key activities and perspectives of EU decision-makers from the New Member States



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