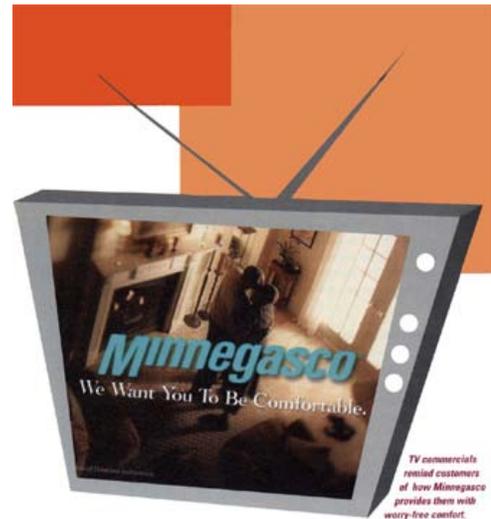


Building image and enhancing reputation

Situation

Most people don't have to think about their natural gas utility very often. Service is extremely reliable, and rates are reasonable. For several years, Minnegasco was content with an "underground image" – when people thought about Minnegasco, they generally had a good opinion about the company; but Minnegasco was pretty far from the top of the mind.

With de-regulation of the energy industry approaching, however, the "underground image" was no longer adequate. When **David Kostik** became Director of Communications for Minnegasco in late 1995, aggressively enhancing company image and reputation became the highest priority. This was a difficult task: funding for advertising had been all but eliminated over the past 10 years; divisions and departments throughout the company were all competing for scarce financial resources. Warm weather in January 1996 put additional pressure on earnings, and the remaining ad budget for that year was eliminated.



Approach

From that beginning, Mr. Kostik led a multi-phase effort to build company visibility more aggressively with existing resources and ultimately to build a significant image campaign over the next three years. During 1996, the Communications Department emphasized focusing its public relations efforts to create greater visibility. Mr. Kostik also successfully built a case for significantly increased funding for safety advertising for 1997. The next step was to build a case for future investments in image advertising. Mr. Kostik led an effort to research competitive spending on advertising and communications, as well as an assessment of what it would take for Minnegasco to create impact in the market. He also encouraged discussion of image and reputation management at company-wide strategic planning during 1997. That led to funding of a nearly \$1 million image campaign in 1998.

Results

Minnegasco hired a local marketing communications agency to refine strategic positioning based marketing research that was available. The agency built the image campaign around the most prominent feature of public perception – which customers don't have to think about Minnegasco. In the ad campaign, Minnegasco was positioned as the company that provides "worry-free comfort" for its customers. In addition to raising visibility and strengthening customer relationships, the campaign boosted internal morale, as employees saw Minnegasco taking a creative step to level the playing field with its larger competitors.