

.trust Made in Italy: *who is credible in the eyes of stakeholders*

Made in Italy companies are growing and resilient, but when put to the test of trust, which must be earned through facts and a consistent narrative, are they able to go beyond the brand to communicate vision and a tangible image? In other words, do they know how to be credible when facing today's major challenges?



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High craftsmanship, a tradition of excellence, cult of good taste and a sense of quality: this is Made in Italy. Even after the post-pandemic rebound and despite the difficulties with the major upheavals due to the geopolitical, social and economic environments, the demand on international markets continues to reward Italian production.

In 2021, Italian exports, two-thirds of which comes from manufacturing companies, grew by 18.2% from 2020 and, more significantly, by 7.5% from 2019. Fashion and food have significant projected growth rates even for the biennium “horribilis” of 2023-2024, whereas luxury boating boasts a record-breaking portfolio of 250 projects in 2021.

This is why we decided to focus our research .trust on Made in Italy looking at 34 companies in these sectors (fashion, food, boating and automotive), to try to understand if and how the major issues of today are addressed and

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communicated, whether the role of each company is evident within the context they operate in and whether messages about its future are clear and effective.

NOT JUST BRANDS: 3 GOOD EXCUSES TO COMMUNICATE THE COMPANY

The brand is no longer enough, nor is the quality of the product. To gain the trust of stakeholders, it is important to have a narrative that values the distinct characteristics of the company and its people. “Not just a brand” is not a new statement, but today it is, more than anything, an inescapable principle that is essentially based on three considerations:

- Consumers are no longer content with initiatives for appearance’s sake. They want facts and concrete data, and likewise for institutional stakeholders.
- Stating that one is present locally cannot be an abstract statement of geography but a conscious declaration that must be expressed through a network of relationships based on trust and mutual support with people and companies throughout the supply chain. This is a concept that has come to the forefront throughout the pandemic through the development of initiatives and real collaborations.
- Leadership is closely connected to the territory. Families and the founder are not rare figures in Italian companies, but they cannot exist only as repositories of know-how and tradition. They must express themselves, on the one hand, as top figures in the company and part of the managerial governance, and on the other, as the embodiment of a shared vision, or better yet, a purpose that guides the company’s every move, representing its future – and not its past.

‘Source: XXXVI Edition of the Foreign Trade Report “L’Italia nell’economia internazionale”, by ICE – Agency for the promotion abroad and internationalization of Italian companies.



"The ability to be credible and consistent will be decisive in understanding whether companies are tested for the present, but more importantly, for the future."

HOW TO COMMUNICATE AND WHY

We have dissected the reasons for communicating the company in addition to the brand that are unique to Made in Italy companies. These include the national landscape that formed after the pandemic, the expectations of the region, suppliers, consumers and stakeholders in general.

In addition to these characteristic factors, there are some reasons common to all companies, big and small, from any industry, which should lead them to feel a need for strategic communication that supports the business, and which is not just an assembly of well-delivered messages.

First, the need to build the credibility of the company on an international level, which also comes from being able to communicate with interlocutors. Without verging into "foreign-philia", we know how high the expectations are in this regard, especially in the more developed markets.

Clarity in communication is another cornerstone in earning the trust of interlocutors: facts, data, commitments, faces and declarations must accompany claims of product quality. Lastly, it is imperative to have a coherent narrative that is structured and pervasive about how, especially during adverse and difficult circumstances, companies are committed to coping with

critical issues and seizing opportunities at such a complex and challenging moment. In other words, there is a need to communicate strategically and relevantly to be able to take full advantage of the communication itself.

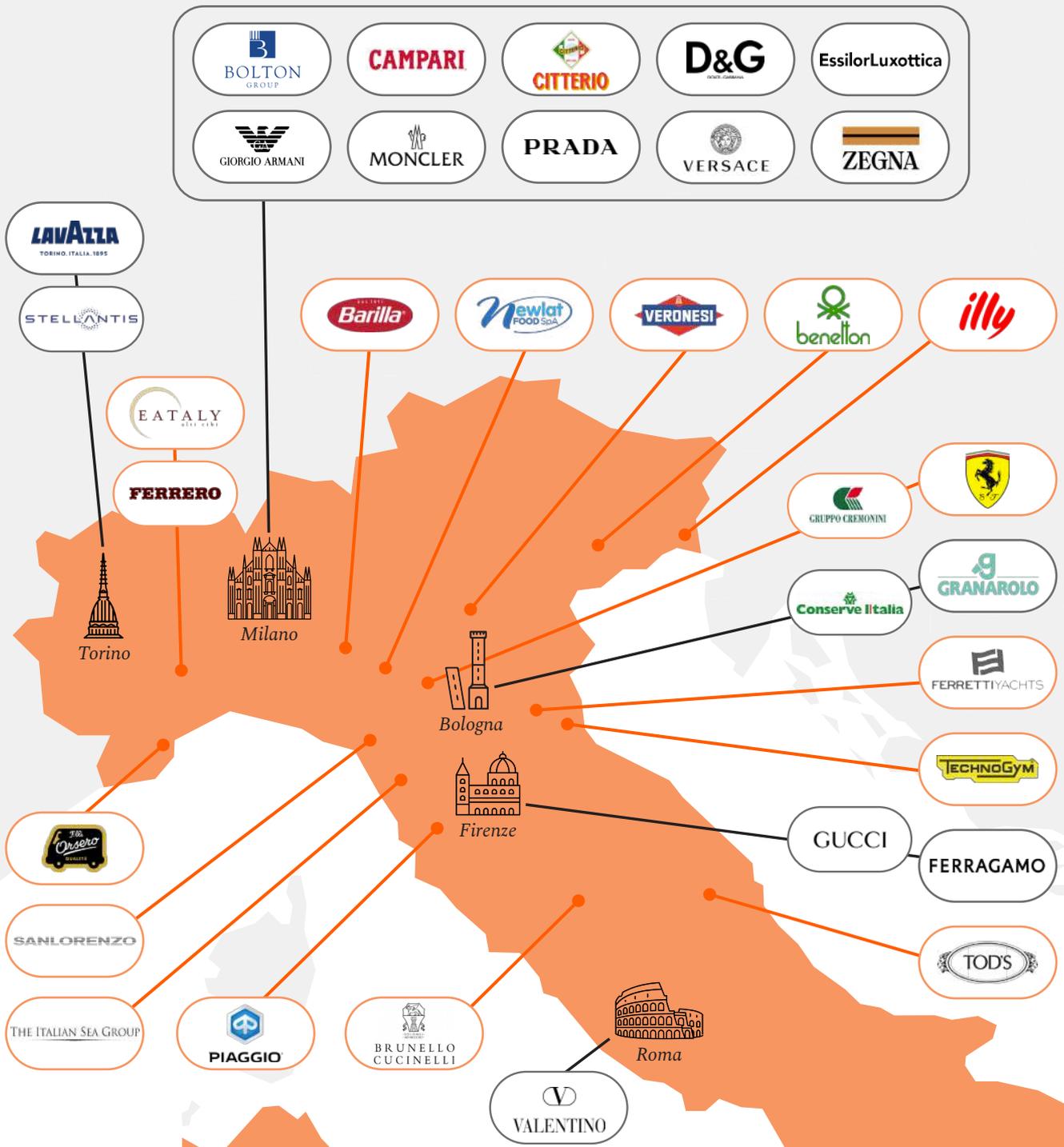
MADE IN ITALY COMPANIES IN THE 2020 EDITION OF .TRUST

There is no longer any doubt about the need to know how to communicate as well as how to do, but what has been done so far, and more importantly how, did not fully meet the expectations of the previous edition of .trust.

Less than half of the Made in Italy companies we analysed scored high enough to reach the final evaluations, and only one company (Granarolo) qualified for Best Performers. This is another reason we wanted to verify whether steps forward had been taken in the past two years, updating the analysis with today's key themes.

THE 6 KEY THEMES

- 1** ROLE IN SOCIETY
- 2** MACRO-TRENDS AND STRATEGY
- 3** INNOVATION AND DIGITAL TRANSFORMATION
- 4** DIVERSITY AND INCLUSION
- 5** SUSTAINABLE COMMITMENTS AND RESULTS
- 6** TOP MANAGEMENT AND LEADERSHIP





ON THE TOPIC OF .TRUST

The research examining leading Made in Italy companies was done with the .trust methodology, which is based on 20 years of experience in corporate and business communications. It evaluates how companies manage to generate trust from its internal and external interlocutors. For more information about our study or to request a deeper analysis of your company, contact: simona.ortelli@lundquist.it

THE RESULTS: FAR FROM A NARRATIVE THAT COMBINES ALL POINTS

We would have liked to express great enthusiasm for the progress made in their ability to connect themes in a coherent narrative supported by data and humanized by a direct and explicit commitment from leadership. But, with rare exceptions, we didn't find evidence of major awareness of the importance of strategic communications. However, some progress has been made, especially with specific themes and groups of stakeholders. Let's analyse some of them.

1 MISSION, VISION AND PURPOSE: PRETTY WORDS ARE NOT ENOUGH

Compared to the 2020 edition of .trust, we found the mission and vision more explicitly expressed on websites. The sector that stands out in this is Food, where around half of the companies shared their mission.

Most of the statements, however, are found in the form of claims and don't show any specific connection to messages used in communications. We suspect these are conceived as lip service rather than something of substance, with words that only partially reflect the true essence of the company.

One interesting case, perhaps also due to their long tradition of institutional communications, is that of EssilorLuxottica, which makes its mission the cornerstone of its entire institutional communications. Even more rare was the purpose statement, which we only found with Ferrero. Honestly, with a sample of companies who often are immature in terms of corporate communications, we didn't expect to find many examples, considering that the purpose comes usually at the end of a structured, introspective journey.

2 CLIMATE CHANGE: A VIABLE CHALLENGE

It's difficult but not impossible. The challenge of climate change continues to particularly test the agri-food, textile and transport sectors. There is no shortage of environmental sustainability initiatives with a major impact on products and consumers, but there is no trace of this in communications.

Among the companies in the agri-food sector, which have been strongly affected by the consequences of rising temperatures, Granarolo stands out. Its animal welfare and product sustainability are an undeniable part of communication with consumers.

The Group, already listed among the best in the 2020 .trust research, was the Made in Italy champion also for their coherent narrative, which encompasses both the product and the company.

"Most statements appear in the form of claims without showing any specific connection with the messages to be shared."



3 FROM FOUNDER TO LEADER: IT PAYS TO PUT YOUR FACE ON IT

Finally, the survey reveals a lack of a more human and direct approach to corporate communications in which the leaders openly position themselves regarding questions of high impact for the company.

It is a missed opportunity that should lead to a broader reflection in relation to studies that report an increase in demands meant to convince companies – and their CEOs in particular – to express themselves personally on the most urgent global issues.

However, there are exceptions in this case as well. A good example comes from the fashion realm, historically reluctant to put corporate leadership at the forefront, unless, in rare cases, directly connected to the brand.

Most prominent is the case of the Prada Group, which has, perhaps due to its recent listing or for its significant leap forward in terms of opening itself up to the world (beyond the customer), had the family and management express themselves personally on all corporate channels with authority, competence and charisma.

A POSSIBLE WAY FORWARD

In summary, it's true that Made in Italy continues to be competitive, but in communications there is still a lack of proactivity and speed in presiding over the key themes that companies have in common with the services industry.

The positive signals aren't missing, and yet, the potential for communication that combines all points, is as coherent externally as it is internationally and can bring together product

and company, hasn't yet been received.

This is unfortunate because many things are left “unspoken”, many initiatives both in cooperation with others in the industry and from individual companies, many results, commitments and interesting and valuable stories that, if told not as individual facts but rather as an integral part of a solid and credible vision, could add significant value to the business.

We will soon begin evaluations for our new 2022 edition of .trust. We will look at the major issues of communication and the ability to be credible, clear and coherent, which will be crucial in helping us understand to what extent companies are not just tested for the present, but more importantly, for the future.



