Measuring Corporate Reputation:
An overview of Several Approaches

Developed by
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Two key ideas

- Having a good reputation has many benefits
- You can’t manage what you don’t measure
Having a good reputation has many benefits

- Increasing market share
- Lowered marketing costs
- Lowered distribution costs
- Being able to charge a premium
- Avoiding over-regulation
- Being able to weather bad times
- Greater employee alignment & productivity
- Being able to attract & retain talent
- Being able to attract investors
- Gaining more favorable media coverage
- Being able to gain access to new global markets
You can’t manage what you don’t measure

» Define what we mean by “corporate reputation.”

» Select or develop a measurement approach that balances precision and cost.

» Make sure your approach is sustainable over time.
Reputation Components

- **Ethical**: (a company that…) behaves ethically, is admirable, is worthy of respect, is trustworthy.
- **Employees/workplace**: (a company that…) has talented employees, treats its people well, is an appealing workplace.
- **Financial performance**: (a company that…) is financially strong, has a record of profitability, has growth prospects.
- **Leadership**: (a company that…) is a leader rather than a follower, is innovative.
- **Management**: (a company that…) is well-managed, has high quality management, has a clear vision for the future.
- **Social responsibility**: (a company that…) recognizes social responsibilities, supports good causes.
- **Customer focus**: (a company that…) cares about customers, is strongly committed to customers.
- **Quality**: (a company that…) offers high quality products and services.
- **Reliability**: (a company that…) stands behind its products & services, provides consistent service.
- **Emotional appeal**: (a company that…) I feel good about, is kind, is fun.
Measurement Approaches:
Where does reputation come from?

Perceptions & Attitudes
- Vague…Distinct

Behaviors
Measurement Approaches:  
Where should we concentrate?

Vague  Distinct
Perceptions  Attitudes  Behavior

Go upstream
Influence the influencers
Measurement Approaches: Go Upstream!

- News Coverage
  - Basic measurement
  - Content analysis
  - Modeling

- Word of Mouth
  - Influentials analysis
  - Web content analysis

- Advertising & Promotions
  - Copy testing
  - Content analysis
  - Modeling

- Direct Experience
  - Operational measurements
  - Customer experience surveys
Why is it important to analyze the Media?

- Media coverage of issues and companies has enormous influence on what people think and how they act.
- Studies have shown that news stories are often as powerful or even more powerful than advertising.
- News coverage can be influenced via media relations so it is important to understand what the media are saying.
How do we assess news coverage impact on corporate reputation?

- Basic measurements (# of stories; # of media carrying stories; column inches; prominence, share of voice, etc.)

- Content analysis:
  - Editorial tone (favorability)
  - Presence of your strategic positioning messages
  - Positioning on reputation components
  - Positioning on key issues
  - Areas of strength and weakness vs. competitors
CLIENT: Number of Favorable and Unfavorable Impressions for Reputation Components

<table>
<thead>
<tr>
<th>Employees, Workplace</th>
<th>Service, Reliability</th>
<th>Customer Focus</th>
<th>Financial Performance</th>
<th>Market Leadership</th>
<th>Product Quality</th>
<th>Ethics</th>
<th>Company Management</th>
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<tbody>
<tr>
<td>FAVORABLE</td>
<td>285,335</td>
<td>317,000</td>
<td>541,000</td>
<td>1,792,870</td>
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COMPETITOR: Number of Favorable and Unfavorable Impressions for Reputation Components

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Areas of Advantage & Disadvantage for CLIENT

- Product Quality
- Emotional Appeal
- Social Responsibility
- Company Management
- Service Reliability
- Market Leadership
- Financial performance
- Proof Statements
- Customer Focus
- Employees / Workplace

Impressions Advantage

Favorability Advantage
How do we assess news coverage impact on corporate reputation?

- Content analyses provide an “early warning system”
- However, they cannot measure actual impact
- To measure impact you need to relate news coverage to some form of desired business outcome:
  - Perceptions and attitudes
  - Behaviors
Use Direct Correlations to Desired Behavior
(# stories vs. # subway riders)
Use Existing Surveys to Establish Impact of News Coverage

% top box: completely agree; very likely

- Innovative: High Exposure 40, Low Exposure 30
- High quality: High Exposure 55, Low Exposure 38
- Purchase Likelihood: High Exposure 60, Low Exposure 40
Heavy vs. Light Exposure to Company X’s Corporate News Stories
(% agreeing company is Socially responsible)
Use Modeling to Assess Impact of News Coverage

Advertising  Telemarktg  Sponsorships  News

Perceptions  Attitudes  Sales
Modeling can identify the contribution of different forms of communication on your reputation

% of attribute variance

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<th>News</th>
<th>Telemrktg</th>
<th>Sponsorships</th>
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<tr>
<td>% of variance</td>
<td>20</td>
<td>15</td>
<td>9</td>
<td>6</td>
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Summary

➤ You’ve got to have a good story to tell
  ➤ Company’s actions must be worthy of a good reputation

➤ Go upstream…try to influence perceptions & attitudes before they crystallize

➤ Use media analyses to understand what they are saying about you

➤ Use surveys, direct correlations to behaviors, or modeling to understand impact