

# 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.

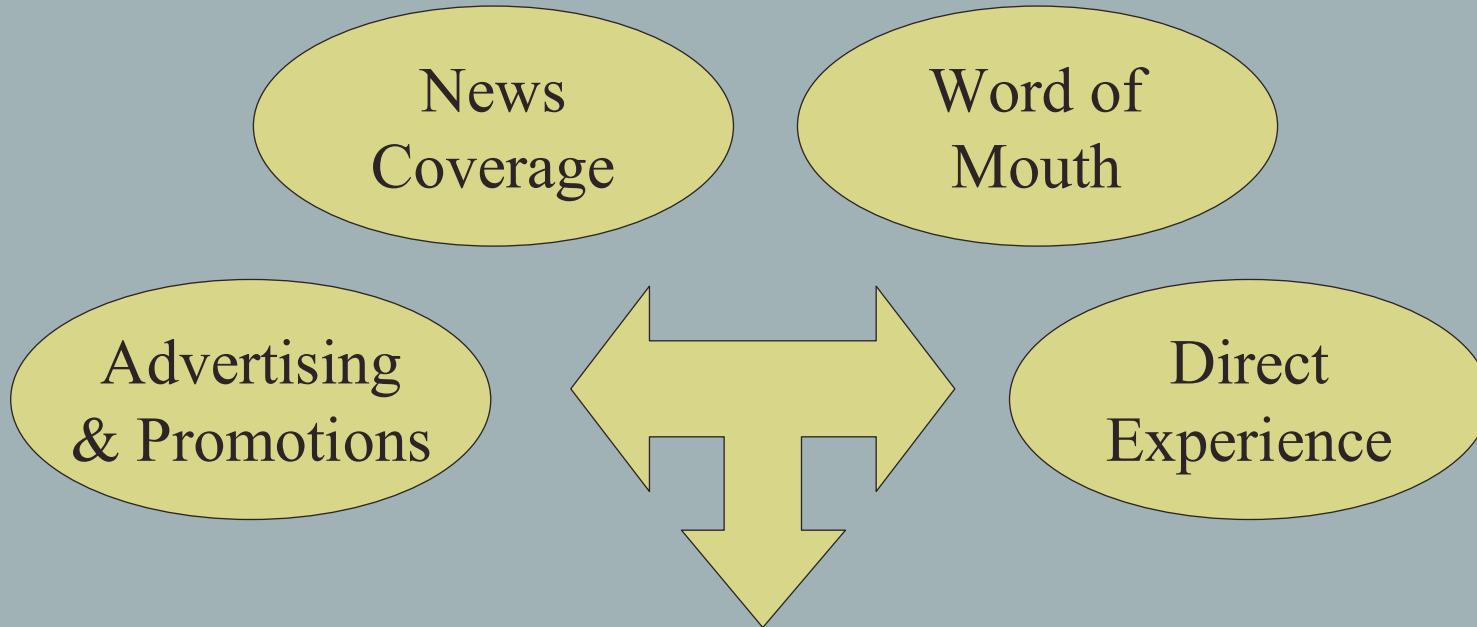


# Reputation Components

- ▶ 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.

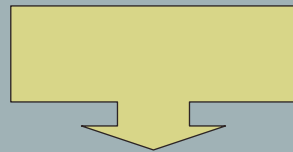


# Measurement Approaches: Where does reputation come from?



▲ Perceptions & Attitudes

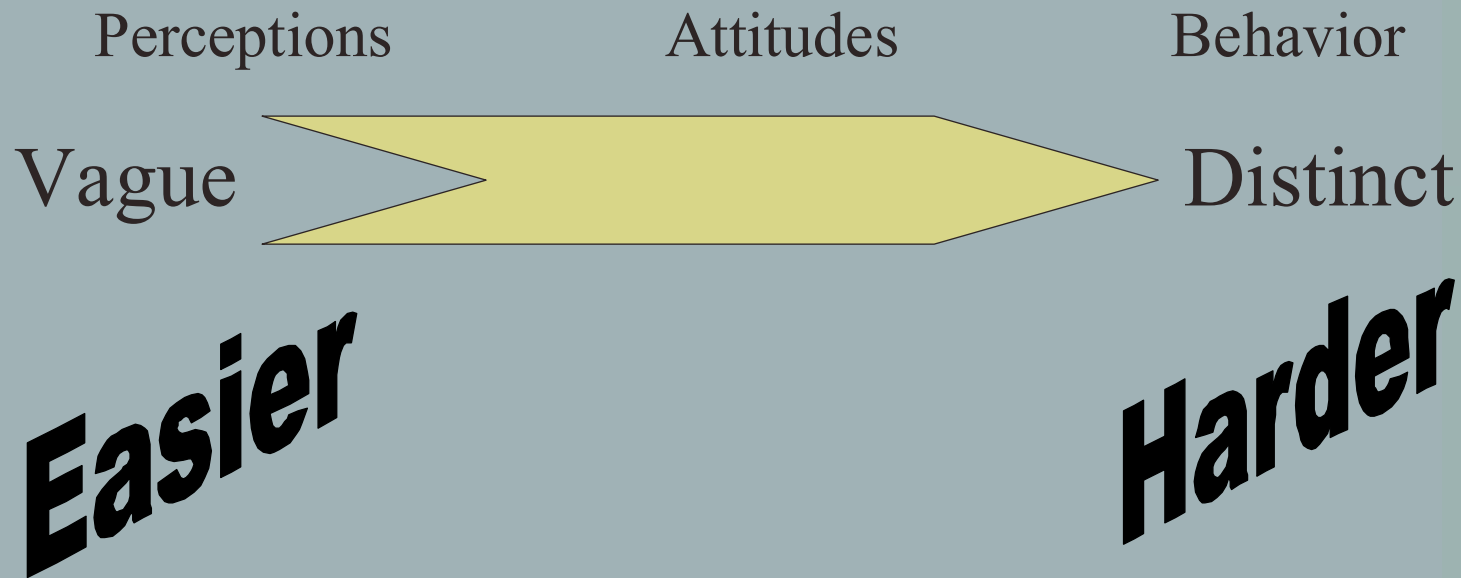
▲ Vague...Distinct



▲ Behaviors



# Measurement Approaches: Where should we concentrate?



- ▶ Go upstream
- ▶ Influence the influencers

# Measurement Approaches: Go Upstream!

## News Coverage

- ▶ Basic measurement
- ▶ Content analysis
- ▶ Modeling

## Word of Mouth

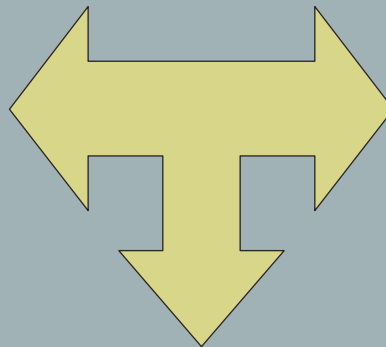
- ▶ Influentials analysis
- ▶ Web content analysis

## 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

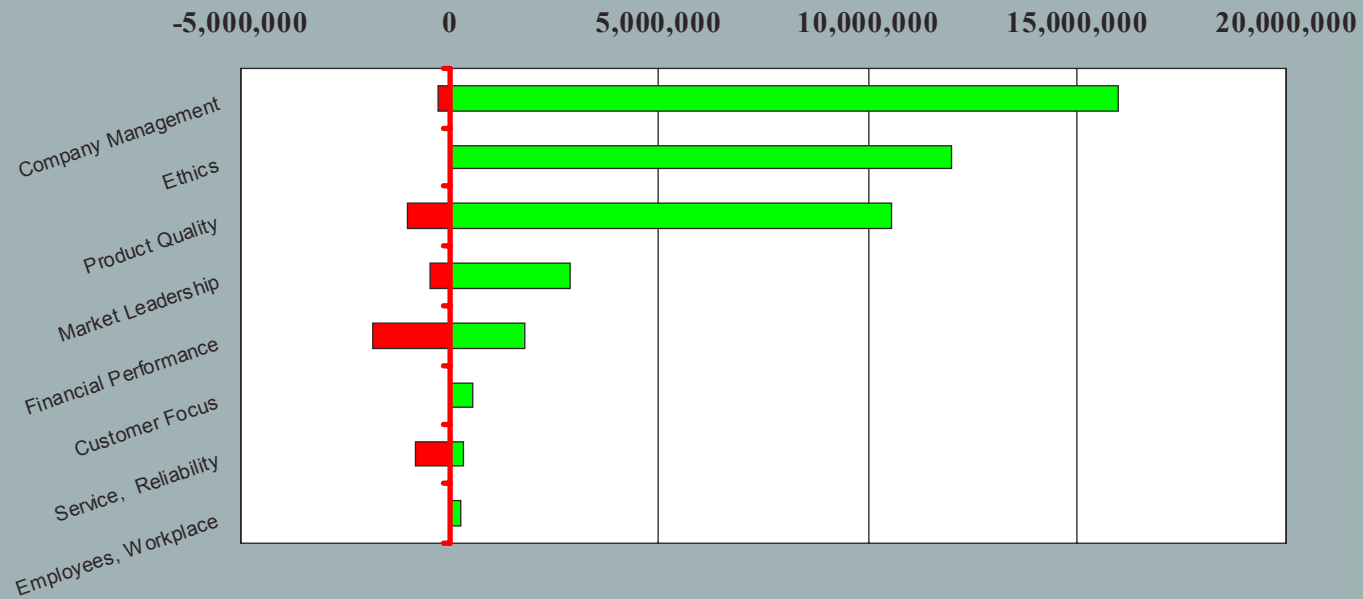


# How do we assess news coverage impact on corporate reputation?

- ▲ 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



	Employees, Workplace	Service, Reliability	Customer Focus	Financial Performance	Market Leadership	Product Quality	Ethics	Company Management
<span style="color: green;">■</span> FAVORABLE	285,335	317,000	541,000	1,792,670	2,876,800	10,555,407	12,000,000	15,982,100
<span style="color: red;">■</span> UNFAVORABLE	0	-823,000	0	-1,818,000	-466,000	-1,000,000	0	-290,000



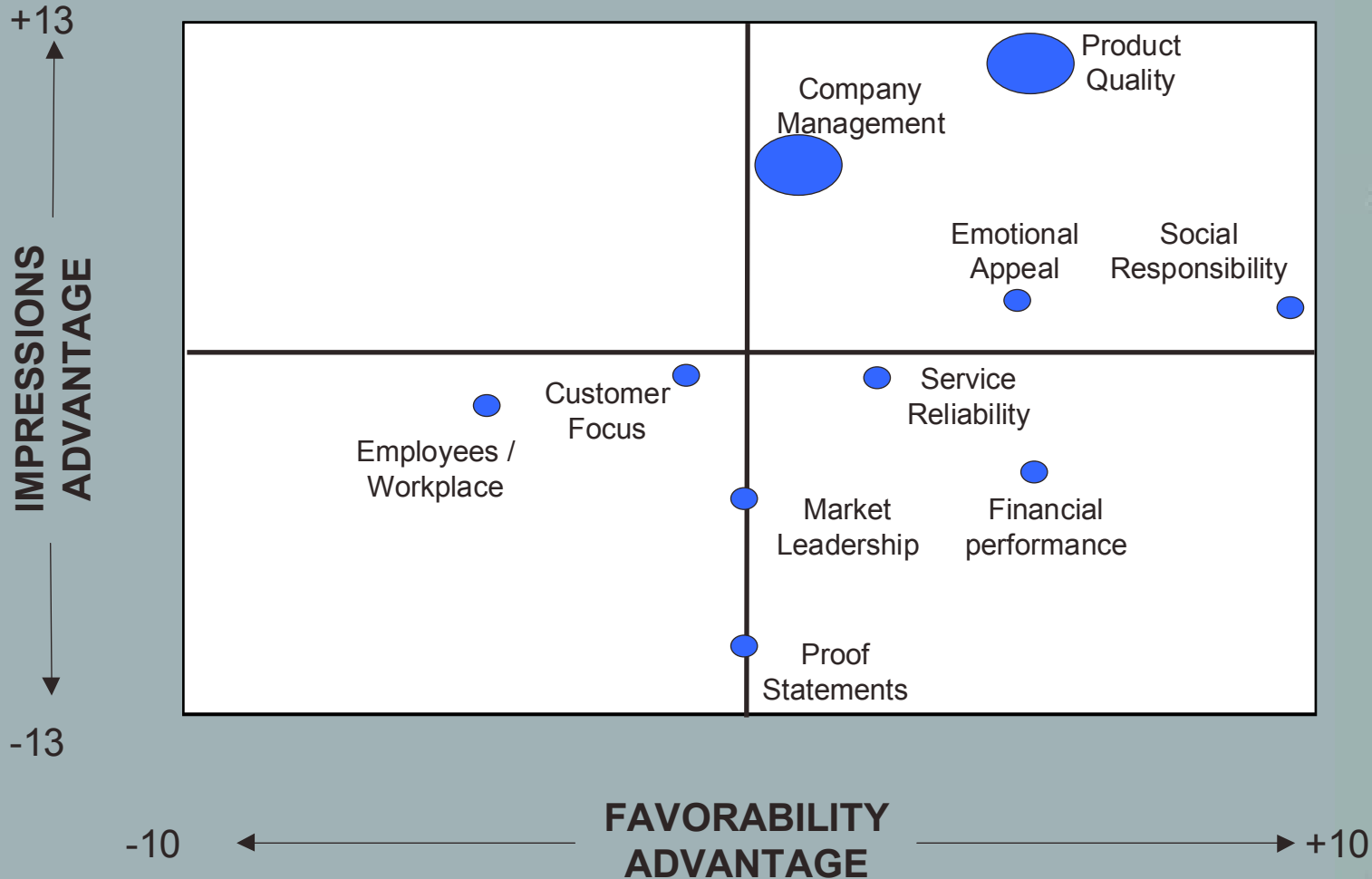
# COMPETITOR: Number of Favorable and Unfavorable Impressions for Reputation Components



	Employees, Workplace	Service, Reliability	Customer Focus	Financial Performance	Market Leadership	Product Quality	Ethics	Company Management
<span style="color: green;">■</span> FAVORABLE	285,335	317,000	541,000	1,792,670	2,876,800	5,900,000	6,121,931	6,000,000
<span style="color: red;">■</span> UNFAVORABLE	0	-823,000	0	-1,818,000	-466,000	-7,714,472	-3,500,000	-5,200,000



# Areas of Advantage & Disadvantage for CLIENT



# 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

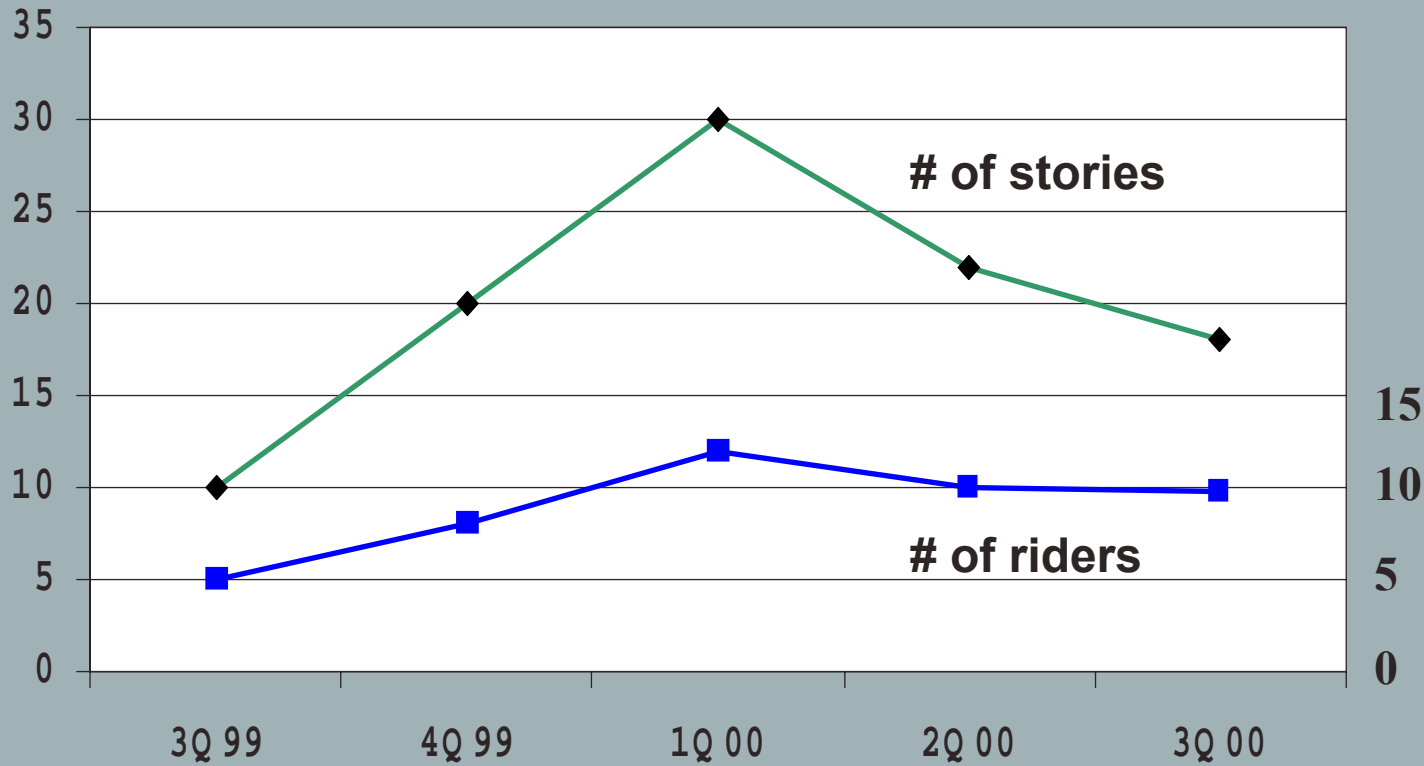


# Use Direct Correlations to Desired Behavior

(# stories vs. # subway riders)

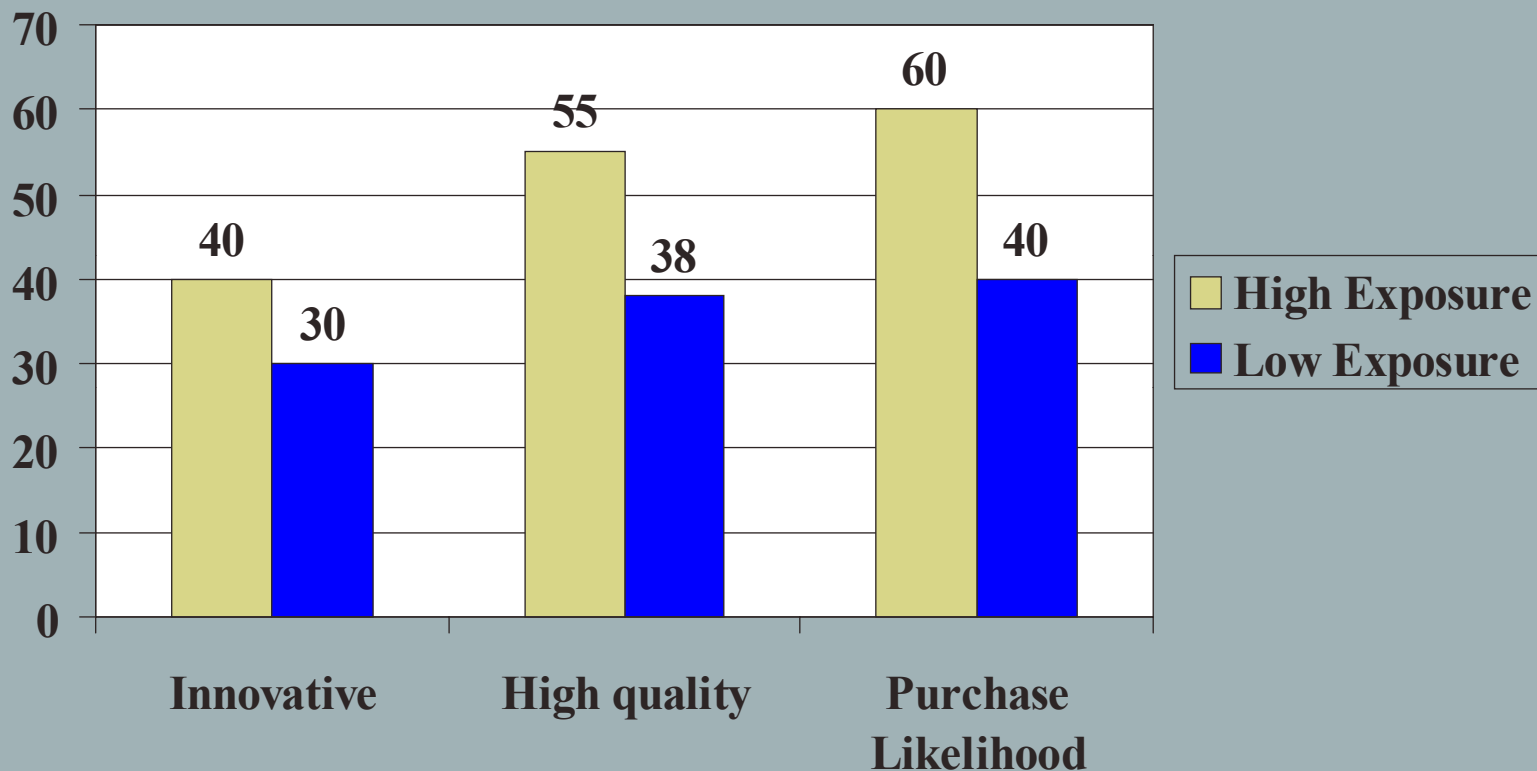
# of stories in  
Local media

# of rider in  
millions



# Use Existing Surveys to Establish Impact of News Coverage

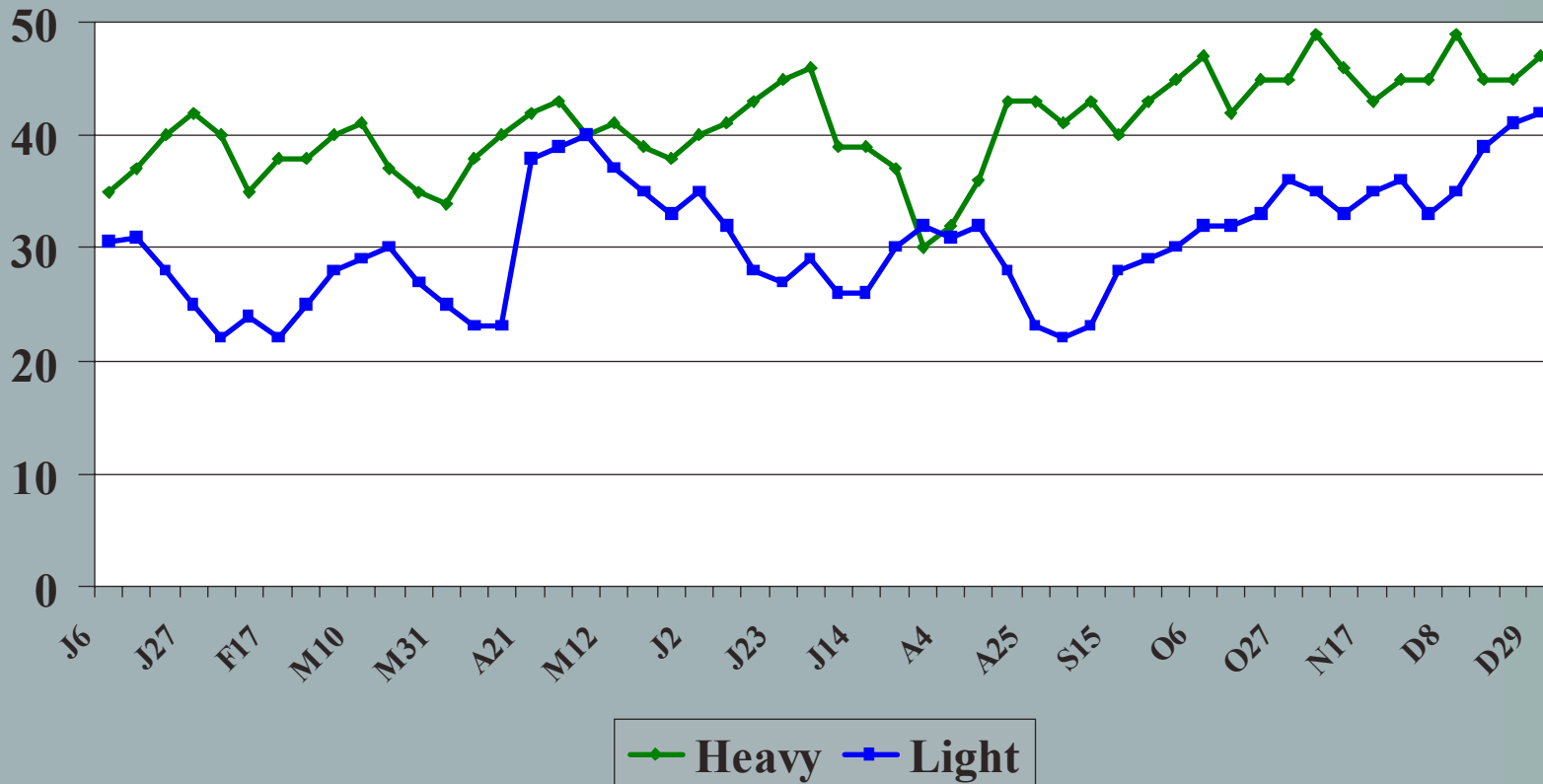
% top box:  
completely agree;  
very likely



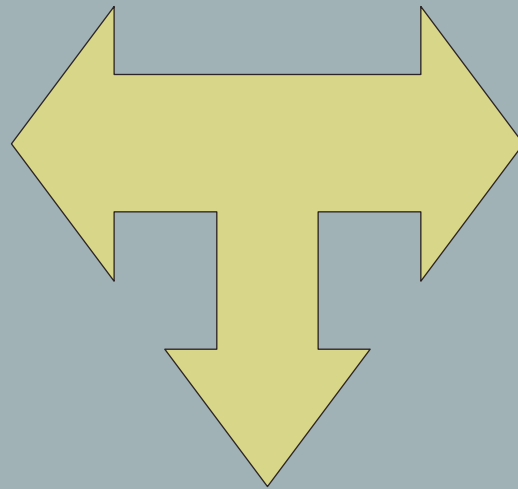


# Heavy vs. Light Exposure to Company X's Corporate News Stories (% agreeing company is Socially responsible)

% Agree



# Use Modeling to Assess Impact of News Coverage



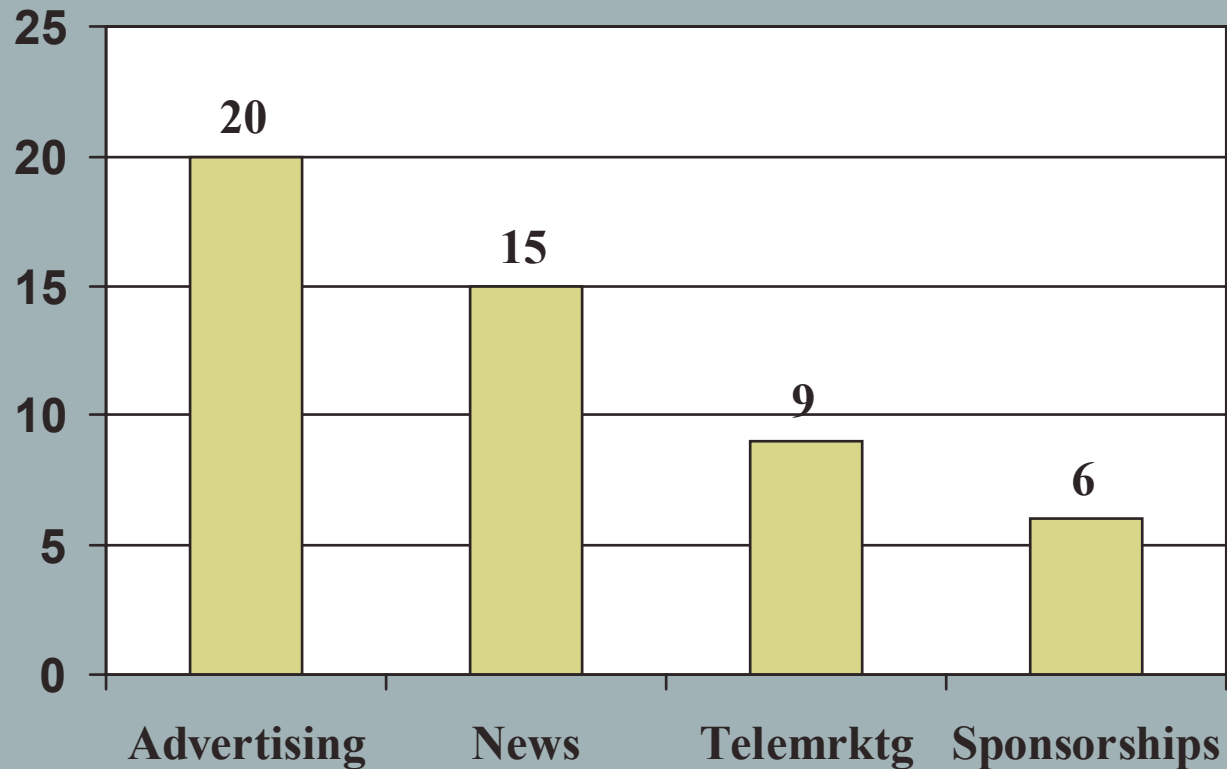
**Perceptions    Attitudes    Sales**

The text 'Perceptions', 'Attitudes', and 'Sales' is written in a bold, 3D, orange font, slanted upwards from left to right. It is positioned below the large double-headed arrow, suggesting that the categories above influence these outcomes.



# Modeling can identify the contribution of different forms of communication on your reputation

% of attribute variance



# 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

